Daily Report

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Serreqi Says Albania Respects Kosovo Borders

AU1612103492 Tirana ATA in English 0912 GMT 16 Dec 92

[ATA report: "Security of the Region Hangs on Our Staunch Opposition to the Use of Force for Political Goals—From the Speech of the Albanian Foreign Minister"]

[Text] Tirana, December 16 (ATA)—In the speech submitted to the meeting of the council of CSCE foreign ministers, the Albanian Foreign Minister Alfred Serreqi said among the other things that the role of the CSCE participating states in trying to find a solution to the complicated problems of the Yugoslav crisis is commendable. The Albanian delegation hopes that today's meeting will further outline timely approaches and be underlined by action-orientated concerted efforts.

Bosnia and Hercegovina has become a slaughter house, while declarations and resolutions continue to be adopted. To our regret the principles of invaluable international documents are losing their meaning. This is a cause of grave concern which should make us think of taking real action now. We fully support the call of the Bosnian foreign minister to lift the arms embargo if the international community is not able to stop the aggression. There is a whole range of important international events that have continued to be seized of and take action against the Belgrade authorities and they continued violations of commitments of international law. These authorities continue to flout the desire of peace-lovers of this continent and beyond.

In these months, new incidents have taken place on a daily basis and have given the Albanian Government and people really anxious troubles. Serbian nationalism has shown open signs of intentions to set off another conflict in the south. At a time when the Serbian side boycotts dialogue with the Albanian delegation of Kosovo, the Albanians nonetheless continue on their peaceful pursuit. Albanians are being shot demonstratively and the population is showing restraint. Further south in Macedonia, which is awaiting recognition, Albanians are being killed by the Macedonian police. Neither the Albanians nor the Macedonians are interested to have a confrontation. Therefore the question arises: What is this scenario?

Since the outbreak of the Yugoslav crisis, Albania has maintained that dialogue should be pursued for its peaceful solution, respecting the will of the peoples of the former Yugoslav Federation. Albania has supported the peace conference as the forum for discussion and resolution of this crisis in its entirety. It has at the same time requested that the legitimate demands of the Albanians be respected. In view of these developments taken together, the Republic of Albania warned against the extension of the conflict to Kosovo and has always been ready to do its utmost to avoid it. It has maintained a constructive attitude towards the developments in the former Republic of Macedonia too, by establishing and promoting friendly relations with this country. I take this opportunity to state that Albania welcomes the deployment of the UN peacekeepers in that country as a means, which will reinforce the ensuring of stability and peace in the area. At the same time, I would like to state that no danger would ever go to that country from the Albanian territory and we have stated more than once that we respect the state borders and are against their change by force unilaterally.

We believe that an effective and larger international presence can relieve tensions, which is already very high in Kosovo and pave the way to for the substantial dialogue with the legitimate representatives of the Albanians. As countries directly affected by everything that develops along our borders, we cannot remain silent and see what the future has in store for us. The regions security hangs on our staunch opposition to the use of force for political goals and the policies of fait accompli thereof. We must not connive at what is going on, but concert our efforts in due time.

Tax Records Reflect Increasing Privatization

AU1512180892 Tirana ATA in English 1124 GMT 15 Dec 92

[Text] Tirana, December 15 (ATA)—Petrit Kociaj writes: Testimony to the application of the economic reform in the District of Tirana is the monthly increase of private subjects in different sectors, such as trade, industry, transportation, etc. We were told at the Taxes Branch in Tirana that there are 8,654 private subjects who carry out their activity. Twelve thousand people are employed in this sector and their number keeps increasing. As against January, in November there were twice as many small businessmen, five times more Albanian firms, and 258 foreign and other joint firms. The Taxes Branch and the bank have provided all facilities to register and exercise the private activity.

The market is already supplied with enormous amounts of industrial articles, house appliances, various foodstuffs, etc., which meet the needs of buyers. The tax obligations being paid off, the income of state budget have increased. The private and state sector have deposited for the 11 month period of time 40 million leks as compared to 34.5 million leks deposited in January. Following step by step the links of privatization, the productive and trade activity, etc., the taxes branch in the districts and offices in the city manage to provide today about 18 percent of income from private subjects, out of 4.6 percent they were at the beginning of this year.

Selami Views 'Open' Democratic Party's Policy

AU1512155092 Tirana ATA in English 0951 GMT 14 Dec 92

[ATA report: "Interview of the Chairman of the Democratic Party Eduard Selami—Democratic Party Brought About Political Pluralism"]

[Text] Tirana, December 14 (ATA)—On occasion of the second anniversary of the creation of the Democratic Party, the newspaper RILINDJA DEMOKRATIKE carries an interview with the Chairman of the Democratic Party [PD] Eduard Selami. He says among the other things that the PD is the first opposition party in Albania after half a century protracted communist dictatorship. The PD was the first political force that brought about political pluralism in Albania.

The PD, says Mr. Selami, is built according to Western models. A proof to this is the fact that it was admitted permanent observer to the European Democratic Union. The PD differs from the parties which have had the monopoly of communist type political power. We are too far from them. At the same time it is necessary for a party which comes to power after dictatorship, as is the case of PD in Albania, to have its democratic structure.

We are no longer an opposition party, but a dominant party with a parliamentary activity, from which emerged also the democratic government. Apart from this we also have the majority of the local power. The democratic government is implementing the program that the people voted for in March 22 elections.

In regard to the projects of the PD for the future, Mr. Selami said that the project of the PD is the application of its program. The best project will be exactly the strict application of the program of the party and full establishment of democracy in Albania.

In this regard our policy is open, we are for joining Europe. We are victims of no kind of illusion, we have no kind of complex to any country and should link [as received] with them suffice to guarantee a quick and successful development of Albania.

Shkoder Murderers Remain Unidentified

AU1512181492 Tirana ATA in English 1114 GMT 15 Dec 92

[Text] Tirana, December 15 (ATA)—In an interview with the ATA reporter Pellumb Sulo, the head of judges, Qazim Gjonaj, stated that after six days of court, light is thrown on the responsibility of the defendants as ex-officials of public order forces. As for the rest, that is the executors, the physical persons who committed the murders, there is still no light on this problem as it is not known who fired at the crowd.

I don't think that April 2 law case ends with the end of the trial, said the head of the court Qazim Gjonaj. It will go on with the physical authors of murders. There are some data on physical and police persons who resorted to fire arms. They can be found out.

The testimonies provided by a national who was not summoned in the Investigation Office for two policemen, who are suspicious of firing, provide a chance to throw light on the issue. But this is to be done after the competent organs take the necessary actions.

There aren't corrections and falsifications in the process verbal of the inquiries. It is true that there are shortcomings in the work of Investigation Office, which became evident in the course of the law-case. We are not satisfied with the work of the Investigation Office, the procrastination on its part, because initially there were all possibilities to make full inquiries. The arresting of policemen right after the event and those who fired without being ordered to do this in front of the Party Committee was one of the key points which would throw sufficient light on this process, were they to be done in time.

Mr. Gjonaj said that the crime took place at such key moments, right after the pluralistic elections. To this end it is linked with political problems. But actually the defendants are accused not as ex-party officials, but as state officials whose duty was to take measures to prevent April 2 events.

Asked whether pressure was exerted on him, Mr. Gjonaj said that there were a lot of pressure and threat, particularly by November and December last year. This was done in various forms by means of anonymous letters, telephone calls, and direct threats. But it is not the case to mention the persons and the cases.

Dimitrov, U.S. Envoy Discuss COCOM Controls

AU1512214692 Sofia BTA in English 2107 GMT 15 Dec 92

[Text] Sofia, December 15 (BTA)—Bulgarian Prime Minister Filip Dimitrov received U.S. Ambassador Hugh Kenneth Hill. Ambassador Hill said the U.S. Administration assessed in positive terms the development of the Bulgarian economy in the transition to a free market system. According to him, Bulgaria made a major step in settling ethnic problems. The discussion focused on Bulgaria's constructive policy in the Balkans. Ambassador Hill said the U.S. Administration was pleased with the tighter, effective controls on arms trade and dual-use goods introduced by the Bulgarian Government. He said the progress in this sphere enables the U.S. Administration to help reduce controls on military and dual-use goods destined for Bulgaria and drop this country from COCOM [Coordinating Committee for Multilateral Export Controls] lists.

Kostov Reports on Debt Talks in Frankfurt, Paris

AU1512180092 Sofia BTA in English 1626 GMT 15 Dec 92

[Text] Sofia, December 15 (BTA)—The Bulgarian delegation to the latest negotiating rounds on the country's foreign debt with private creditors in Frankfurt and with official creditors in Paris returned today.

In Frankfurt, the private creditors made this country a counter-proposal, Finance Minister Ivan Kostov told the press upon his arrival. He described it as a step forward in their position, adding that it is still far from what Bulgaria can do for debt service payments.

In Paris, the delegation negotiated a rescheduling of debt payments due in the March 1992-March 1993 period, Mr. Kostov said. The negotiations were very difficult and lasted late into the night. According to Deputy Finance Minister Svetoslav Gavriyski, the reason was Spain's insistence that debt in the name of Mineralbank should also be considered at the negotiations. The Bulgarian delegation was against this proposal because its mandate from the government applies only to the debt of the country's Foreign Trade Bank. An agreement was reached, however, as the Bulgarian delegation committed itself to help settle Mineralbank's debt.

Answering a question, Finance Minister Kostov said the unsettled political situation in this country is an obstacle to the negotiations. He said the international banking institutions have also become less supportive.

Chief of Staff on Regional Military Cooperation

AU1512090192 Sofia BULGARSKA ARMIYA in Bulgarian 10 Dec 92 pp 1, 3

[Major Krasen Buchkov report: "First Army Operational Meeting Discusses Reform and Cooperation With Neighbors"]

[Excerpts] This year the operational meetings in the Army are taking place in a new and unconventional manner, something that apparently is a part of the reform. Instruction No. 93 untied the hands of the commanders, and now they can contribute their visions and ideas to enterprises planned by senior staffs. The Army meetings opened with a scientific-practical conference of the General Staff, which showed that the time of group training [zanyatiya] is over. The officers of the General Staff found that the three days of the conference did not suffice for their discussions and exchange of opinions. [passage omitted]

The operational meeting of the First Army was attended by Colonel General Lyuben Petrov, chief of the Bulgarian Army General Staff. He profoundly surveyed the General Staff's work in developing military cooperation with the neighboring states. In this enterprise the General Staff always relied on international treaties and documents and sought measures for balancing the controversies in the region through confidence and security. He recalled that relations with Turkey began precisely two years ago and assessed the Sofia document as a further development of the Vienna agreements. He interpreted the Edirne document, which was signed in November and has political connotations, through the prism of a military expert and commander. He also reviewed the specific approach of our General Staff in signing the documents with Athens, which expanded the realm of applying the measures of security and cooperation. A program on cooperation in 1993 has been signed. It includes meetings between our and Greek generals and officers. We also have a cooperation plan with Romania, and we are ready to work out a more general program. An agreement was reached with the Macedonian defense minister on cooperation in constructing armed forces, without other commitments. Two commissions will prepare cooperation documents. We are prepared to cooperate with Yugoslavia. A program was worked out on developing security measures with our western neighbor, which will probably be implemented after the conflicts in that country are settled. The idea of organizing a meeting of the Balkan states General Staff chiefs was again launched. It was pointed out that such a meeting will contribute to stability in the region.

The chief of the General Staff does not share the opinion that the reform in the Army is too rapid or too slow. First, appropriate internal and external conditions for implementing the reform must be created, and only then must the reform be launched. The redeployment and restructuring must be guaranteed and ensured. Prudence must have the upper hand over enthusiasm, because it must be understood that it is impossible to implement the reform within four to five months. Reform does not mean chaos but precisely the opposite. A concept has been worked out that must be developed. It is a utopian idea to talk about a professional army when we are in a grave economic crisis. We want a 12-month military service, but do not have the legal basis to do this. We envisage an alternative service, but again—this must be

specified in a separate law or a part of a law. What we need is not a regulation book on the military service but a law that cannot be amended even by the minister of defense. The law on defense resolves the issue of depoliticizing the Army and its nonparticipation in carrying out tasks of internal political character. However, it is impossible to turn the Military Police into a political police and place it under the command of a civilian. The officers are also citizens of the Republic and must be sentenced by civilian rather than military courts. According to the proposed bill, the military does not have the right to form trade union and professional associations, but who will protect them whenever necessary, if we are stressing the contract principle in the Army? This is only a part of the various ways to strengthen the Army's authority and the people's confidence in the military.

Zhelev Gives DPS Mandate To Form Government

AU1512170292 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 15 Dec 92

[Text] President Zhelyu Zhelev today gave a decree to the parliamentary group of the Movement for Rights and Freedoms [DPS], asking the group to submit a nominee for prime minister.

Following the meeting with Zhelev, DPS leader Ahmed Dogan said that the conditions outlined by the SDS [Union of Democratic Forces] at its last conference would be discussed. No candidate has been selected, he said, but it is certain that the eventual cabinet will be an administration of national responsibility.

After receiving the consultative mandate to hold negotiations on composition of a government, Dogan returned to parliament. He is meeting with the DPS Executive Bureau and has scheduled a meeting with National Assembly Chairman Aleksandur Yordanov.

Dogan Confident of Support

AU1512200292 Sofia Khristo Botev Radio Network in Bulgarian 1830 GMT 15 Dec 92

[Text] Today President Zhelyu Zhelev handed over a decree to the parliamentary group of the Rights and Freedoms Movement [DPS] that asks the DPS to nominate a prime minister.

We will seek a formula to unite the parliamentary groups and the Bulgarian people with the aim of forming a government of national responsibility, DPS leader Ahmed Dogan told journalists. He considers that the conditions of the National Coordinating Council of the SDS [Union of Democratic Forces] do not predetermine the outcome from the government crisis. He is counting on reasonable compromises, and believes that the support of 75 percent of the National Assembly deputies and leading SDS organs for dialogue with the DPS and for forming a coalition government provide sufficient guarantees. A future government of this kind will carry out an updated SDS program, the DPS leader added.

In answer to a question whether the DPS may form a government without the SDS, Dogan replied that the DPS will not propose a cabinet as a separate political force. The DPS will hold consultations with the BSP [Bulgarian Socialist Party] and the extraparliamentary forces, the DPS leader assured the journalists. In his view, a government not enjoying broad social support would find it difficult to survive.

Asked how long the DPS has to propose a candidate for prime minister, Dogan explained that there is no specific deadline, but it would be good thing if this is done during the next few days. The DPS leader gave an assurance that the DPS may give up its mandate only if the SDS proposes unacceptable conditions.

SDS, DPS Open Talks on Forming Government

AU1612113492 Sofia Khorizont Radio Network in Bulgarian 1000 GMT 16 Dec 92

[Report by Olga Ivanova]

[Text] [Announcer] The meeting between the delegations of the Union of Democratic Forces [SDS] and the Rights and Freedoms Movement [DPS] on negotiations about forming a coalition cabinet opened approximately one hour ago at the parliament building, Sofia. We expect some more information from our reporter Olga Ivanova who is in parliament. Good morning.

[Ivanova] Good morning. The meeting continues here. I would just like to remind you of the latest developments that were announced last night and according to which the first request of the SDS would be the same as published in the resolution of the SDS national conference held on Sunday, 13 December, namely that in the case of the DPS proposing that the SDS coalition form a government under the DPS mandate, the SDS would agree to start negotiations. This happened last night, as a matter of fact, according to Mr. Aleksandur Yordanov, who made this brief statement before entering the hall where the negotiations are taking place.

What exactly will be discussed? As far as we, the mass media reporters know for the time being, a possible political agreement between the two political forces will be discussed. The representatives of the DPS intend to add some procedural proposals to the former seven requests that they had submitted as conditions for a political agreement with the SDS, and which should also be the basis of the new agreement. The new proposals are related to two still controversial subjects, namely the question of personal police files and the status and subordination of the National Intelligence Service and the National Security and Protection Service. I can also add some more information:

The following officials are participating in the negotiations on behalf of the SDS: Mr. Aleksandur Yordanov; Ivan Kurtev, chief secretary of the SDS; Margarit Mitsev, Petko Ginev, and Ekaterina Mikhaylova.

The following DPS members are participating in the negotiations: Ahmed Dogan, DPS leader; Yunal Lyutfi, Osman Oktay, Ivan Palchev, Evgeni Matinchev, and Dimitur Sepetliev.

The negotiations are expected to go on for another hour or one and a half hours. They are taking place in Hall Number Seven of the parliament building.

SDS Ready To Nominate Prime Minister Candidate

AU1512154092 Sofia Khorizont Radio Network in Bulgarian 1400 GMT 15 Dec 92

[Text] The Union of Democratic Forces [SDS] is ready to respond to a proposal by the Movement for Rights and Freedoms [DPS] to nominate a candidate for prime minister. This was stated by Ivan Kurtev, chief secretary of the SDS National Coordinating Council, at today's council meeting.

The candidate for prime minister will be announced by the National Coordinating Council and submitted to the parliamentary faction afterward, Kurtev said. He refused to identify the SDS representatives who would conduct the eventual talks with the DPS, and repeated the decision of the national conference to the fact that the talks should be conducted by the National Coordinating Council and representatives of the parliamentary faction.

At the meeting today the SDS leaders decided that National Assembly members, oblast administrators and deputy administrators, and mayors cannot simultaneously be chairmen of SDS municipal coordinating councils.

Socialists Argue Over Boyadzhiev's Failed Mandate

AU1512151692 Sofia BTA in English 1452 GMT 15 Dec 92

[Report by Iva Toncheva]

[Text] Sofia, December 15 (BTA)—The failure of the Socialist Party, the former Communists, to form a government, left the party sharply divided on the question of the responsibility for the unfulfilled mandate. The Socialists will discuss their failure, as well as the possible resignation of the top leadership at a plenum on Sunday [20 December]. However, the Bulgarian Socialist Party (BSP) cannot be expected to split up.

The crisis in the BSP leadership began last week when President Zhelyu Zhelev refused to grant a decree to BSP-nominated prime minister-designate Petur Boyadzhiev because he has dual citizenship (Bulgarian and French) instead of Bulgarian only, as required by the Constitution. After his failure to fulfill the mandate, a group of MP's [members of parliament] called for the resignations of BSP leader Zhan Videnov and of floor leader Nora Ananieva. They refused to resign, putting the failure down to tactical mistakes and saying that Boyadzhiev had misled them. In a recent interview, Petya Shopova MP of the BSP said Petur Boyadzhiev had been nominated in an "absolutely peremptory" way, which made serious discussion impossible. The BSP members had been "goaded" into accepting Boyadzhiev's nomination to the premiership. According to Petya Shopova, the top leaders should resign en bloc to show they admit their mistake, and yet some of them may be re-elected. In an interview on national radio last Sunday [13 December], Petya Shopova said the BSP had discredited itself. Krasimir Tomov, deputy editor-in-chief of the Socialists' DUMA daily, said in a political TV talk show last night that the mistake with Petur Boyadzhiev will cost the BSP dearly in the elections which, in his view, will be held shortly.

It is difficult to say whether the BSP leaders will resign, though the intraparty scandal was much publicized. Zhan Videnov can be dismissed by a congress, which is unlikely to be held soon. As to Mrs. Ananieva's resignation, it is a question for the parliamentary group to decide.

The plenum on Sunday will try to improve the BSP's image. Groups within the BSP are calling on the senior leadership—the Executive Bureau of the Supreme Council, to resign en bloc. This is not impossible. The Executive Bureau discussed this question at a special meeting today. However, Prof. Vladimir Topencharov, member of the bureau, said in an official statement today that it is not to be expected that heads will be cut off on Sunday.

Deputy SDS Parliamentary Leader Resigns

AU1512202092 Sofia Khorizont Radio Network in Bulgarian 1730 GMT 15 Dec 92

[Text] The SDS [Union of Democratic Forces] parliamentary group met today to discuss the results of the preliminary talks between the SDS and DPS [Rights and Freedoms Movement]. The group nominated 11 representatives to hold negotiations with the DPS after the latter had been given a mandate to form a government.

At 1830 Edvin Sugarev walked out of the SDS meeting. He declared that he was resigning as deputy parliamentary group chairman. Sugarev stressed that, in his words, shocking irresponsibility was evident at the meeting. In his opinion, the parliamentary group is attempting to force through the idea of a coalition government with the DPS at any cost. I cannot allow myself to assume the responsibility of participating in the leadership of such a group, Sugarev said as he left parliament.

According to the latest reports, the parliamentary group has not discussed Sugarev's resignation.

SDS National Assembly deputy Virzhiniya Velcheva proposed that the extended consultations on the composition of a coalition cabinet should continue during the National Assembly's Christmas vacation, scheduled

from 22 December to 10 January. She proposed that the candidate for prime minister be chosen at a full session of the National Assembly held before the end of December.

A little later, at the actual SDS parliamentary group session, Aleksandur Yordanov declared he would submit a motion at tomorrow's National Assembly session that it reconsider the vacation schedule.

DPS deputy Evgeni Matinchev believes that a proposal for parliament to continue its work without a vacation is sensible. In his view, this will ensure a calm atmosphere for holding talks and adopting a decision on forming a cabinet with the DPS mandate. According to Matinchev, the accords reached so far between the SDS and DPS working groups are important for further contacts. The seven conditions set by the SDS national conference do not bother him, because the expressed desire to hold talks that is expressed in the actual resolution is, in his view, the key factor in the relations between the two political forces. In Matinchev's opinion, Aleksandur Yordanov or Stoyan Ganev are suitable nominees for prime minister under the DPS mandate.

Parties Offer Differing Views on Electoral Law

AU1512180492 Sofia BTA in English 1605 GMT 15 Dec 92

[Text] Sofia, December 15 (BTA)—There is ever more frequent talk in Bulgaria about the possible holding of early parliamentary elections. If the ethnic Turks' Movement for Rights and Freedoms (DPS)—whose turn it is to form a cabinet—fails, the president will have to dissolve parliament, appoint a caretaker cabinet and schedule new parliamentary elections. The cabinet crisis in Bulgaria is continuing for a second month now.

However, the political forces are not unanimous on the electoral law. The law passed for the previous elections provides for a proportional system with a four percent barrier.

A week ago Miroslav Durmov MP [member of parliament] of the Socialist, ex-Communist, Party moved a bill for amending the electoral law. He proposes a two percent barrier, white ballot-papers with symbols—instead of the party colour ballot papers of the previous elections, and larger state subsidies for the parties in the elections. The Socialist Party supports this bill. At their regular press conference today the Socialists said that they believe the Polish model of parliament to be most suitable for Bulgaria.

At their plenum on Sunday [20 December] the Socialists plan to discuss other amendments to the electoral law which would make it possible for more extraparliamentary parties to enter the next parliament. Miroslav Durmov's bill was drafted with the participation of the extraparliamentary Ecoglasnost political club which split from the Union of Democratic Forces (SDS) last year. At today's press conference of the BSP a journalist suggested that the Socialists "have bought" the extraparliamentary forces.

At the national conference of the SDS last weekend, National Assembly chairman Aleksandur Yordanov spoke of the possibility of the formation of a strong left-wing bloc in which the Socialists would play a leading role in the next parliament. It was probably this threat that tipped the scales in favour of negotiations with the DPS for using its mandate for the formation of a new cabinet.

As a whole the SDS believes that the electoral law should raise a high barrier to parliament in order to prevent its fragmentation into numerous groups holding diametrically opposed views, which would make it difficult to form a cabinet. There are also extreme opinions in the SDS for raising a ten percent barrier which would bar the Movement for Rights and Freedoms from the next parliament and would leave only two political forces in parliament—the Socialist, ex-Communist, Party and the Union of Democratic Forces. But so far the SDS has not undertaken any legislative steps for changing the electoral law. According to unofficial information, the parliamentary group of the SDS is not unanimous on the electoral law.

Ahmed Dogan's Movement for Rights and Freedoms has not declared an official stand yet. Its leaders have made statements that they do not wish the DPS to play its present key role in the next parliament as well.

The reports that the BSP, the SDS, and the DPS are already negotiating on a new electoral system have not been confirmed officially. A month ago the press reported that the brain trusts of the Socialists and of the SDS are considering a mixed (proportional and majority) system but it is unknown whether an agreement has been reached.

Miroslav Durmov told journalists today that the soundings he has made so far among MP's of all parliamentary groups have shown that parliament will pass this bill if it reaches the debating chamber.

According to the reunited Agrarians, a coalition cabinet of the SDS and the DPS will not solve the cabinet crisis. It would not represent the entire political spectrum which Bulgaria needs, Agrarian leader Anastasiya Mozer said at a press conference today. A cabinet to see Bulgaria through the severe winter is the best possible option at present, Mrs. Mozer added. But elections are needed and inevitable. Through these elections the Agrarians would seek to occupy their place in the future parliament and they prefer the proportional electoral system. This system would guarantee the representation of a greater number of political forces in parliament, Mrs. Mozer believes.

Intelligence Chief Asparukhov Allegedly Poisoned

AU1612115192 Sofia BTA in English 1015 GMT 16 Dec 92

[Text] Sofia, December 16 (BTA)—National Intelligence chief Brigo Asparukhov was poisoned while waiting to be received by a high-ranking statesman, 24 CHASA reports on its front page today. It does not mention the name of this high-ranking politician.

The drink he was served by a secretary contained a mixture of benzene and carbon tetrachloride. General Asparukhov drank only two sips because the drink tasted bitter. After the meeting he felt ill and was taken to the former Government Hospital, according to 24 CHASA.

According to 24 CHASA, the intelligence chief has been in hospital since December 1 and his life is in danger. He still runs a temperature of 39 decrees centigrade, cannot concentrate but no longer loses conscience.

His blood samples showed a high content of the poison. If he had drunk the whole substance he would have been dead. According to experts the combination of the two chemicals indicates the involvement of a professional who aimed at presenting the poisoning as a case of acute hepatitis, 24 CHASA adds.

Associate Professor Nikola Aleksandrov, a toxicologist, declined to comment on the state of his patient. "This is a medical secret, no matter whom it concerns," he told 24 CHASA.

Today the National Investigation Service is expected to start legal proceedings against an unknown perpetrator on charges of attempted murder in the first degree. Most probably the investigation will be headed by Mr. Aleksandur Novakov, chief of the Sofia City Investigation Service.

The investigation is to confirm whether the critical state of General Asparukhov is actually the result of attempted murder. The general may have previously swallowed something else.

In the past month the name of General Asparukhov was connected with the notorious "Mishev-gate"—the visit of the adviser to the outgoing Prime Minister Filip Dimitrov to Macedonia and his participation in negotiations on arms deals. At a closed sitting of parliament, which was not attended by M.P.'s [members of parliament] of the Union of Democratic Forces [SDS], the M.P.'s of the opposition Socialist, ex-Communist Party [BSP] and of the ethnic Turks' Movement for Rights and Freedoms [DPS] ruled that in this case the intelligence service had done its job well and that, "by his actions the prime minister created conditions for undermining Bulgaria's prestige and for impairing national security." In response to this decision, Filip Dimitrov requested the confidence vote which was defeated and the prime minister handed in the resignation of his cabinet. So far there is no official information on Mr. Konstantin Mishev's activities in Macedonia.

Ministry Gives Figures on 1989-91 Convictions

AU1512180292 Sofia BTA in English 1630 GMT 15 Dec 92

[Text] Sofia, December 15 (BTA)—The Ministry of Justice today gave BTA the latest data on courts and convictions under the Penal Code from 1989 to 1991. The data has been sent to the UN Statistical Bureau in New York in connection with a survey of trends in crime and national judiciaries.

The data comes from until recently classified files of the National Statistical Institute and falls into respective divisions in the UN questionnaire such as premeditated murder, rape, robbery, corruption, etc. Bulgarian legislation does not envisage life sentences or bodily punishment, and they are not a subject of study.

Over the period under review, 1,401 people were convicted of premeditated murder. The number of sentences fell two-fold in 1991 compared to 1986. Sentences for unpremeditated murder numbered 785. In 1991 they dropped 1.6-fold from 1986. Over the period, 2,103 persons were convicted of rape. Convictions fell 2.6-fold over the period. 2,162 persons were convicted of robbery. Convictions for theft numbered 34,762. Their number last year fell 1.5-fold from 1986. Convictions for fraud were 3,721 and in 1991 fell 5.5-fold from 1986. 7,751 persons were convicted of abuse in office. Their number dropped 17-fold over the period under review.

In 1986-90, 48 persons were convicted of drugs trafficking. (There is no available data on 1991.) Convictions for bribery numbered 641, a 7.3-fold decrease over the period. 5,154 persons were convicted of hooliganism. Their number decreased 3.8-fold over the period. 8,338 persons got convictions for road traffic offences (592 less in 1991 than in 1986). Over the period, courts passed guilty verdicts on 96,092 men and 17,227 women, including 6,798 boys and 614 girls under age. (No data is available on 1991.)

Bulgaria has 112 district and 28 regional courts and a Supreme Court of Justice. In late 1990 there were 295 male and 402 female judges.

Culture Ministry Denies Link to Consulate Bugging

LD151219029 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 15 Dec 92

[Text] A ward military prosecution office in Bratislava has opened criminal proceedings against the perpetrator who fitted a bugging device at the U.S. Consulate in the capital of Slovakia. According to the information of a reporter from the Press Agency of the Slovak Republic, the name of the person who fitted the bugging device is already known. According to the same source, it is impossible, however, to prove that this person was operating the device right up to the end—until November 1992.

Federal Interior Minister Petr Cermak also noted progress in collecting documentation on the case of the bugging device discovered in the U.S. Consulate building in Bratislava. However, he refused to disclose details saying that the report on the results of the investigation should be passed on to the Federal Government by Saturday, 19 December. According to Federal Prime Minister Jan Strasky, the basic question is who reinitiated the bugging and how. The Culture Ministry of the Slovak Republic and its current management learned about the existence of the bugging device at the U.S. Consulate in Bratislava only from the mass media and it has nothing to do with the case. It categorically rejects the accusation of the daily SLOVENSKY VYCHOD, which yesterday published an article by (Vladislav Chlipala), the former director of the Kosice branch of the Federal Information and Security Service. The accusation has been fabricated and is insulting, says the statement issued by the Slovak Ministry of Culture for the Press Agency of the Slovak Republic.

More Bugging Suspects

AU1612150292 Bratislava NARODNA OBRODA in Slovak 15 Dec 92 p 2

[TA SR report: "Several Bugging Suspects"]

[Text] Kosice—Yesterday's SLOVENSKY VYCHOD, under the headline "Slovgate, or Is the War With the United States Not Yet Over?," carries an analysis by V. Chlipala, former director of the Federal Security and Information Service [FSIS] office in Kosice, of the statements made by politicians about and the circumstances surrounding the discovery of a "bug" in the U.S. Consulate General building. Among other things, he responds to the questions concerning who in Slovakia is capable of installing such equipment and of using it, and who could have given the order to activate the bug in the U.S. Consulate General building. He thinks it unlikely that it was the FSIS, because it must have permission from the prosecutor's office for such activity and because, from the beginning, this service has adopted a friendly attitude toward U.S. intelligence services. According to Chlipala, other suspects include the Slovak Interior Ministry Economic Counterintelligence Service—a service made up, as he writes in the article, of State Security officers—and Military Defense Intelligence, the successor to military counterintelligence, a service in which apparently no screenings have ever been carried out and whose personnel have remained the same since the revolution.

Release on U.S. Arms Controllers' Visit Issued

AU1512132492 Prague CTK in English 2040 GMT 11 Dec 92

[Text] Prague, Dec 11 (CTK)—A delegation of government experts from the United States met for the past three days with representatives of the federal and republic governments in Czechoslovakia to discuss control of arms sales, the Czechoslovak Ministry of Foreign Affairs told CTK today.

The U.S. delegation was led by U.S. State Department official Michael Dixon. The delegates were received by Czechoslovak First Deputy Foreign Minister Jaroslav Suchanek and participated in specialists' seminars at several ministries and in the parliaments of the Czech and Slovak Republics.

The U.S. experts expressed hope that the meeting of specialists will assist both the Czech and Slovak Republics in creating a legislative framework for trade in military materiel after they become independent January 1, 1993, the Ministry of Foreign Affairs said.

Slovakia, Komi Barter Trade Agreement Concluded

AU1512133092 Prague CTK in English 2207 GMT 11 Dec 92

[Text] Bratislava, Dec 11 (CTK)— Slovak Foreign Minister Milan Knazko today characterized the Komi Republic as Slovakia's biggest trade partner among the republics of the Russian Federation. He was speaking at a press conference following his meeting with a visiting delegation of the Komi Republic, which is situated in the northeast of the European part of the former Soviet Union and has a population of 1.3 million.

In the course of the four-day visit, Komi Premier Vyacheslav Khudyayev and Slovak Economics Minister Ludovit Cernak signed an agreement on trade, economic and scientific-technological cooperation. Under the agreement envisaging a barter trade totalling 70 million USD [U.S. dollars] already this year, Slovakia will supply the Komi Republic with consumer goods in exchange for oil.

Skinheads Beat Up Five Angolan Students

MB1612074892 Luanda Radio Nacional Network in Portuguese 0600 GMT 16 Dec 92

[Text] Five Angolan scholarship students, including one woman, have been admitted to hospital. They suffered

serious injuries after being viciously beaten up by a group calling themselves skinheads in Bratislava, the capital of Slovakia, early in the morning of 13 December. The students, who have not yet been identified, were coming out of a party at Bratislava University, where they had been together with other colleagues.

In view of the seriousness of the incident, Angolan Ambassador to Slovakia Manuel Quarta Punza, has decided to send Prague-based embassy officials to the capital of Slovakia so they can learn more about the incident. This is the second time Angolan students have been beaten up by racist elements in Bratislava. It is feared that this wave of violence against foreign students will only worsen once Czechoslovakia is broken up into two countries.

Czech, Slovak Republics Admitted as CSCE Regular Members

LD1512152992 Prague CTK in English 1425 GMT 15 Dec 92

[Text] Stockholm, Dec 15 (CTK)—The Czech and Slovak Republics were admitted as regular members of the Conference on Security and Cooperation in Europe (CSCE), at the close of a two-day meeting of the CSCE Council of Ministers here today. The two republics will become members of the 52-nation CSCE on January 1, 1993 when Czechoslovakia splits.

Meciar: 'Being a Romany Is No Longer a Prerogative'

AU1612093292 Prague MLADA FRONTA DNES in Czech 12 Dec 92 p 2

[CTK report: "Slovak Prime Minister Warns Against Developments in the Czech Republic"]

[Text] Hlohovec—The trend in the Czech Republic is swinging toward the right and Slovakia should not follow it," Slovak Prime Minister Vladimir Meciar told a rally at Hlohovec yesterday. "There is a wisdom, according to which in Bohemia there have always been more dead after the war than during the war," he added. Citizens on high incomes will stop getting support and family allowances. Social policy toward Romanies will be equally differentiated so that "being a Romany is no longer a prerogative."

[Bratislava PRAVDA in Slovak on 11 December on page 2 carries a 200-word TA SR report on Meciar's visit to Hlohovec, which notes: "Addressing a citizens' rally at Hlohovec, Vladimir Meciar said, among other things, that the creation of Slovakia's negative image is being directed from Prague and Budapest. He noted that the Slovak Government is taking steps to set the image of the Slovak Republic right. As of 1 January 1993, the independent Slovak Republic will open 53 embassies abroad and 4 general consulates. It will have representatives on four international organizations."]

Meciar To Grant 'General Pardon' for Past Regime Wrongs

AU1612095892 Bratislava NARODNA OBRODA in Slovak 11 Dec 92 pp 1, 2

[TA SR report: "What To Do With the Currency in the Event of a Deficit? The Prime Minister Visited Kosice"]

[Excerpt] Kosice— "We cannot afford not to draw up a balanced budget; this is a condition for Slovakia's stability and its relations with foreign countries. The IMF and other world organizations would react negatively [to a projected budget deficit] in the sense that the share from the property of the common state would change to the disadvantage of the Slovak Republic," the Slovak prime minister told a meeting of almost 1,000 trade union officials from east Slovakia yesterday.

"We have concluded an agreement on a common currency with the Czech Republic, but it needs to be frankly stated that this common Czech-Slovak currency is subject to the agreement between the [Czech and Slovak] governments that either side may change its position in the event of a budget deficit or inflationary development," Vladimir Meciar stressed.

Regarding the possibility of a budget deficit, he noted that it is conceivable only as a result of economic policy, but not as a government design [sentence as published]. The sum of only 2.8 billion korunas is earmarked in the budget for structural changes and 0.5 billion korunas as a subsidy for the price of coal. The government will obtain and allocate nonbudgetary resources to revive the economy. Most of these resources will be used to assist regions in which the impact of economic transformation is the most severe, such as, in the case of east Slovakia, the districts of Trebisov, Michalovce, and Bardejov.

According to the prime minister, social guarantees will be the budget priority. Replying to questions from the audience, Vladimir Meciar described as irrational the claim that on the one hand, the government and the Movement for a Democratic Slovakia are calling for unity in enforcing their targets, while on the other hand, they are not living up to their electoral promises and do not want to own up publicly to their errors. "With the exception of the referendum, we lived up to everything we promised within 48 hours of the promised date. The basis of our promise was that we are in for some sweat and tears. The only thing that we can guarantee is that we will endure this together, and we will abide by that," he said.

Reproached that the failure to apply the screening law or, rather, that its planned abolition will make it impossible to undo the wrongs committed by the previous regime, Vladimir Meciar replied that current social issues have priority over the past. "If we want several thousand people to stop being targets of blackmail, we have no choice but to say: We are granting a general pardon," Vladimir Meciar said. [passage omitted]

Charter 77 Renews Its Activities; Havel Rejected

AU1512142892 Prague CTK in English 1607 GMT 12 Dec 92

[Text] Prague, Dec 12 (CTK)—Signatories of the Charter 77 Proclamation at their meeting here today disagreed with the end of the Charter 77 human rights movement's activities as was decided by Charter's speakers on November 3. Over 150 signatories of the Charter 77 Proclamation sharply criticised their former leadership which has not taken into consideration views of its ordinary members while deciding about the end of the movement. The said they wanted to continue their activities and demanded to disclose all StB (former State Secret Police), agents who, they said, have penetrated the Charter 77 movement.

They primarily criticised reform communists who have abused moral prestige of the Charter 77 in order to gain high public offices. They blamed Vaclav Havel for not fulfilling his promises and said that former high officials of the Czechoslovak Communist Party currently hold property and economic power in their hands.

The Charter 77 movement was founded in response to the International Pact on Human Rights, which Czechoslovakia signed in 1976. Its members bore witness to the abuse of power by the Communist Government and its violation of human rights, while remaining nonpartisan and apolitical.

Among those to sign a proclamation on the formal conclusion of Charter 77 activities have been Vaclav Havel, former Czechoslovak president, and Jiri Dienstbier, former Czechoslovak foreign minister. The document said that Charter 77, which arose on January 6, 1977, as an informal citizens' initiative in opposition to the communist regime, has played out its historical role and ceases to exist.

* * *

Prague, Dec 13 (CTK)—The Charter 77 signatories who discussed a future fate of the Charter 77 human rights movement at their meeting on December 12 appealed to Vaclav Havel to withdraw his candidature for the post of Czech president. They said Havel's activities so far have strongly discredited the Charter 77 movement in the eyes of many people.

When rejecting a decision on the end of the movement's activities made by the Charter's former speakers on November 3, the 154 Charter's signatories said they consider it illegal. They stated that Charter 77 will continue its activities as a free nonpartisan community of free citizens striving for de-Bolshevisation of the society and defending democratic values and human rights.

[Prague TELEGRAF in Czech on 14 December on page 1, under the headline "Charter 77 Has Rejected V. Havel!" carries a 500-word Lubor Kohout report on the meeting held by Charter 77 signatories on 12 December. According to the report, "A Charter 77 Council was elected, comprising of the following: Antonin Belohoubek, John Bok, Petr Cibulka, Zbynek Cerovsky, Jiri Havlicek, Bohumir Hajek, Mikolas Chadima, Jindrich Jarolim, Pavel Nauman, Vladimir Pavlik, and Lubos Vydra. The Council has the right to negotiate on behalf of Charter 77, to speak on behalf of Charter 77, and to issue its documents until 28 February 1993. It has to organize prior to this date the fifth meeting of signatories, a meeting at which the finalized articles will be discussed and Charter 77 representatives will be elected."]

Czech Presidential Election Scheduled for January

AU1512131892 Prague MLADA FRONTA DNES in Czech 10 Dec 92 p 1

[Report by "(jl, pen)": "A President in Mid-January 1993?"]

[Text] Prague—The election of the president of the Czech Republic should take place in an unostentatious manner on either 14 or 15 January 1993. According to reliable sources, the chairmen of the governing parties—Vaclav Klaus, Vaclav Benda, Jan Kalvoda, and Josef Lux—agreed unanimously on this at their coalition "quartet" meeting on Friday [4 December] when they discussed the chronology of events associated with the declaration of Czech statehood.

On the other hand, the declaration of the Czech state should take place in the afternoon of New Year's Day in a very formal atmosphere in the Vladislav Hall of Prague Castle.

Our sources have informed us that the discussions within the most senior political circles about who will give the New Year address proclaiming the birth of the new Czech state have been concluded. Czech Prime Minister Vaclav Klaus should be the one officially to inform Czech citizens and the international public of the birth of the independent Czech Republic.

At a private meeting with Vaclav Klaus in the Office of the Czech Republic Government on Monday [7 December] evening Vaclav Havel—still the only candidate of the coalition parties for the office of president—accepted this "scenario." The Czech prime minister and Civic Democratic Party chairman also agreed that the Czech Republic Constitution should express the right of the president to return all laws to parliament for reevaluation and also the president's active participation in discussing international treaties. (The government draft constitution took into consideration the president's right of veto only in the case of constitutional laws and, in essence, left out the head of state's right to conclude international treaties.) Vaclav Havel, on the other hand, assured Vaclav Klaus that he does not intend to jeopardize the transfer of Czech Federal Assembly deputies to the Senate and thus intervene in the disputes that have

recently arisen between the Civic Democratic Alliance and its three coalition partners in the Czech Government.

Special Privileges for Foreign Investors Rejected

AU1512132192 Prague CTK in English 1857 GMT 11 Dec 92

[Text] Prague, Dec 11 (CTK)—The dramatic increase in social conflicts does not jeopardize the continuing economic transformation of the Czech Republic, Czech Premier Vaclav Klaus told journalists today. He said that 1991 was a more difficult year in terms of social insecurity than 1993 will be.

Klaus emphasized that the Czech Republic wants to secure identical conditions for domestic and foreign investors. He dismissed the concept of zones within the state where conditions would be more advantageous for investors as an idea of perestroyka.

We do not want any "sub-Hong Kong," he said.

Klaus did not disclose any details of his fourth meeting with Siemens chairman of the Board Heinrich von Pierer. But he voiced the conviction that discussions with the firm Siemens on founding a joint venture Siemens-Skoda in Pilsen, West Bohemia, will proceed in a good atmosphere.

Klaus declined to comment on the proposed changes in Germany's right to asylum and their possible impact on the Czech Republic because, he said, he has not had time to study them in more detail.

State Bank Forecasts 14 Percent Inflation Rate

AU1612142792 Bratislava NARODNA OBRODA in Slovak 15 Dec 92 p 2

[TA SR report: "The Forecast for Inflation—14 Percent"]

[Text] Prague—The Czechoslovak State Bank [SBCS] expects the gross domestic product in the Czech Republic to increase by 2.0 percent in 1993; however, the gross domestic product in the Slovak Republic is expected to decline by 2.0 percent.

SBCS Press Secretary Martin Svehla informed CTK of this yesterday following a session of the SBCS Banking Council, which discussed the outlook for monetary development in 1993. The main emphasis of monetary policy next year will be placed on restricting the increases in domestic consumer prices in view of the envisaged introduction of a new taxation system and the increase in certain prices controlled by the state.

In its forecast for next year, the SBCS does not think a reduction in the level of inflation in comparison with this year is realistic. It described an increase in the annual consumer prices index by some 14 percent as a realistic target. The SBCS press secretary said that it will be possible to achieve this target if the governments' economic policies continue to give priority to macroeconomic stability.

Separate Banknotes To Be Available by August 1993

AU1512132092 Prague CTK in English 1757 GMT 11 Dec 92

[Text] Prague, Dec 11 (CTK)—Issuing new Czech banknotes and coins will cost 800-900 million crowns (27-30 million USD [U.S. dollars]), Leopold Surga, the Czechoslovak State Bank (SBCS) official, told a press conference in Prague today.

A Prague-based, state-run printing works has been commissioned to produce new types of 200-crown and 1,000-crown banknotes, Surga said. The remaining banknotes will be printed by a private British printing firm, Thomas De La Rue.

A sufficient supply of new Czech banknotes and coins to be exchanged for the old ones should be available at the end of July and beginning of August 1993, Surga said.

The designs of new coins are not definitive yet, Surga said. Contracts for coin production at foreign mints are being prepared, he added, but declined to name the firms. The future Czech and Slovak coins will have different dimensions and weight so that they cannot be mistaken.

At their meetings at Javorina, North Slovakia, October 26, and Zidlochovice, South Moravia, November 9, the Czech and Slovak Governments' representatives agreed to keep common currency of the Czech and Slovak Republics after the Czechoslovak Federation's split as of January 1, 1993. In view of the two republics' different political and economic situation, the common currency is expected to separate sometime in 1993.

Norwegian Defense Ministry Offers Aid to Slovak Army

AU1512131792 Prague CTK in English 1806 GMT 11 Dec 92

[Text] Bratislava, Dec 11 (CTK)—A visiting delegation of the Norwegian Defense Ministry today offered assistance to the future Slovak Army, for instance in training commanding officers from special highland units to be stationed in mountainous regions in the north of Slovakia, a Slovak official told CTK today.

Ladislav Polka, chairman of the Slovak parliamentary Petition, Legal Protection and Security Committee, was referring to a two-day visit to Czechoslovakia by a delegation headed by Elsa Eriksen, state secretary in the Norwegian Defense Ministry.

The visit, taking place at the invitation of Czechoslovak Defense Minister Imrich Andrejcak, focuses on discussing military cooperation, both bilateral and within the framework of European security structures.

Polka noted that the Slovak 1993 state budget (approved last night) earmarks for defense a total of 8,200 million crowns (290 million USD [U.S. dollars]), that is about 2 percent. He said this sum is on the verge of survival. Eriksen said the Norwegian Army gets about 6.8 percent of the country's budget.

In talks with the Norwegian guests, Polka said Slovakia's Army will have about 35,000 soldiers, that is about 10,000 less than allowed by international obligations undertaken by Czechoslovakia.

On Thursday [10 December] in Prague, Eriksen met with Andrejcak to discuss the progress of the division of the Czechoslovak Army, which is linked to the country's division into independent Czech and Slovak Republics in January 1993.

Jeszenszky Views Relations With Neighbor Nations

AU1612101292 Budapest NEPSZABADSAG in Hungarian 14 Dec 92 pp 1, 3

[Report by Tibor Eszes: "Hungarian Proposals to her Neighbors"]

[Text] Last weekend [12-13 December] in Budapest, more than 50 government officials and national minority leaders held consultations on the national minority conflicts of Eastern and Central Europe and the Russian Federation, which are having a destabilizing effect and are threatening the balance of the whole continent, as well as on regional cooperation. The conference was financed by one of the biggest U.S. foundations, the Princeton Ethnic Relations Research Group, in conjunction with the Europe Institute of Budapest, the Laszlo Teleki Foundation, and the Historical Institute of the Hungarian Academy of Sciences. On the final day, Hungarian Foreign Minister Geza Jeszenszky gave a lecture on current European ethnic and national minority conflicts.

Following this, NEPSZABADSAG asked Geza Jeszenszky about the usefulness of this kind of conference, several of which had previously been held in Budapest. According to Jeszenszky, their effectiveness depends on what the participants represent and to what extent they can promote the ideas brought up at the conference and make them prevail. The atmosphere of the conferences is usually good, with the only problems being that either the participants are not in a responsible position from where they could implement the ideas or not everyone agrees with the proposals that suggest cooperation and develop conditions for it, and, therefore, these people do not even contribute to the forum. It is a fact that in the past two years, political and scientific circles of Central European countries have met at several conferences. It is Jeszenszky's conviction that, if the ideas presented at these conferences had been able to penetrate into politics, then our region would be much calmer now.

Answering the question on what we can expect in the approaching new year regarding the tense situation that has developed in recent weeks between Budapest and certain neighboring countries, Jeszenszky said that considerable changes were expected in the coming days and weeks in the neighboring countries—elections, the establishment of new states, and new laws. These will have a determining effect on the domestic situation and on relations with neighboring countries. Hungary continues to do everything it can to maintain the spirit of cooperation with its neighbors, Jeszenszky said. He added that we are not merely repeating old suggestions, but we are also making new proposals. Perhaps, if the constitutional situation becomes settled with our northern neighbor then there will be a possibility for a new round of talks. The Hungarian proposals were long ago sent to Pozsony [Bratislava]—they are reasonable, they do not threaten anyone, and therefore it is up to our neighbor to take the next step.

As for the situation in the Vojvodina, according to Jeszenszky the presence of foreign observers is important, but perhaps extensive international attention is even more important. In the near future, many journalists are going to go there because of the elections, and it would be good if the international press also dealt with the situation in Kosovo and Vojvodina. It should be made clear that the current, new Yugoslavia is also a multinational country where the peaceful coexistence of national minorities with the majority can only be ensured through new constitutional solutions and by giving them rights.

As for Hungarian-Romanian relations, Jeszenszky said that he has written his latest letter to Romanian Foreign Minister Melescanu in the spirit of improving relations. We might soon learn whether there will be a reply. A good opportunity might be given for this at the CSCE conference in Stockholm that is to begin on 15 December. He himself is looking forward to such a meeting (that will be meaningful and will take place around the table rather than in the corridors). However, it has to be said that there has not yet been a reply from Bucharest to the above letter. Jeszenszky recalled that it was already over a year ago that he had sent a similar, initiating letter to the foreign minister of the time, and had never received a reply. Although they have had several conversations in person and on the telephone, the Romanian partner has always insisted that the letter was on his desk and he would soon send a reply to it.

The essence is that several concrete Hungarian proposals have been and are being made, but the Romanian side only shows a general willingness of the let-us-have-negotiations and let-us-organize-high-level-meetings kind, but they do not respond to practical proposals on developing relations. Therefore, in Stockholm, this time Jeszenszky will also ask whether the letter from Budapest is lying on the near or the far side of Melescanu's desk.

Foreign Official on Relations With Slovakia

AU1612083092 Budapest NEPSZABADSAG in Hungarian 14 Dec 92 pp 1, 8

[Interview with Foreign Ministry Deputy State Secretary Ivan Baba by Tibor Kis; place and date not given: "It Is Our Fundamental Interest To Have Good-Neighborly Relations"]

[Text] [Kis] Slovakia will become an independent state on 1 January and, with this, Hungary will probably have yet another unpleasant neighbor. How is the Hungarian Government preparing for this situation? Will we be among the first to recognize the Slovak Republic, or will there be conditions for this step on our part?

[Baba] There are international legal and political criteria for recognition. We can already see that, in the case of Slovakia, the act of recognition will essentially be an automatic and formal one on the part of the countries in Europe and North America. Our major partners will also recognize both the Czech lands and Slovakia, as early as on 1 January, or immediately afterwards, or even as early as December this year.

[Kis] Is Hungary also treating this issue so "mechanically?"

[Baba] Yes. We do not want to present conditions to recognition.

[Kis] For the time being, independent Slovakia is regarded as one of the dark horses of the international community, a country that could move either toward the East or West. In your opinion, which alternative is more feasible?

[Baba] At the moment, Slovakia is in a transition period from many points of view, including in the sense that it is seeking its own international role, and that a considerable percentage of the Slovak political elite is still living and working in Prague. If this elite returns to Bratislava, it will obviously affect the Slovak decision-making mechanism and the preparation of decisions to a certain extent. Slovakia's declared intention is to join the European integration. Whether it will actually start on this road will largely depend on the attitude of the European countries to the appearance of the new state. We also share the opinion that Slovakia's isolation would lead to the strengthening of extremist nationalism, rather than to a Western-type development. There is one more thing in connection with this: The Slovak domestic political medium is not homogeneous. This time, liberal parties did not make it into parliament; in other words, this political color is now missing from the political arena, but it is present in society. It is also a fact that the political atmosphere is different in eastern Slovakia compared with Bratislava, for example. It seems that the intention for an open and tolerant policy prevails in the area of Kosice.

[Kis] Could this trend prevail in the whole country?

[Baba] Yes. Slovakia's appearance on the international arena will not end by being diplomatically recognized by a lot of countries. This is only the first step. Its integration in the international organizations in which the CSFR was a member will begin afterward. This will be the real task for Slovakia, and this is not so simple as diplomatic recognition. This process will not be an automatic one.

[Kis] If it wants to, in principle Hungary can help Bratislava in this endeavor. The question is whether Hungary wants this.

[Baba] Our goal is to ensure that Slovakia integrates in these organizations. However, there is a condition for this, namely that Bratislava should accept the rules and the system of political values on the basis of which the aforementioned organizations are operating. If Slovakia does this, it will have serious chances for integration. These international organizations have different conditions for various states asking for membership. There are organizations that do not have any special conditions; others, like the Council of Europe or the EC, have tough conditions. Taking all this into consideration, the pace of Slovakia's integration into each of these organizations will be different. Our endeavor is to make sure that Slovakia faces the same international criteria as the other applicants for membership in these organizations.

[Kis] In spite of all this, however, at least in the beginning, Hungarian-Slovak relations are not expected to be very harmonious. At the same time, the Hungarian side has lately formulated the need for a Hungarian-Slovak rapprochement, and Slovakia's independence offers a historical chance for this. What could be the conditions for such a rapprochement?

[Baba] There are no special conditions for this on our part. The most important thing is the good will and striving for this rapprochement. If Slovakia fulfills the aforementioned criteria of international cooperation, there will be no obstacles whatsoever to Hungarian-Slovak cooperation, because the societies in the two countries are really very close to each other both historically and culturally. Unfortunately, however, the political trends that have appeared in Slovakia in recent months do not seem to point toward rapprochement. This process should be reversed now.

[Kis] What concrete phenomena do you have in mind?

[Baba] For example, some elements appeared in the Slovak Constitution that do not have a positive effect on the broadening of the rights of Hungarians in Slovakia. This is all the more conspicuous because the need to treat the national minorities in a civilized and tolerant way and to legislate their rights is becoming a generally accepted European norm. Unfortunately, the Slovak Constitution does not show this intention. The same applies to Slovak political practice. The withdrawal of bilingual signs from places inhabited by Hungarians is part of an unfortunate and harmful process that should be stopped as soon as possible. I hope that there will be Slovak political circles that recognize that such steps are not in harmony with the emerging European processes.

[Kis] The new Slovak state will probably have to face very many difficulties after its establishment. Many people fear that Bratislava will be inclined to make anti-Hungarian feelings the bonding substance of the new state. You say that the Hungarian side is completely open on the issue of developing cooperation. However, the matter is not as simple as that because it is not hard for Bratislava to find issues that it can present to the domestic public as Hungarian antipathy or a Hungarian threat. According to Bratislava, one of the proofs of the

Hungarian ill will is that Budapest will not declare that it is by no means—including peaceful means—striving to change the current borders.

[Baba] Nevertheless, we are ready to state this. It is quite certain that it is not the intention of the Hungarian Government to change the borders. However, for Hungarian society to accept this thesis, the Hungarians living on the other side of the border have to be living in human circumstances that suit their needs. This means ensuring development in all aspects of life, not mere survival. If this is given to the national minorities, then the Hungarian public will be able to accept that the solution is not a change of borders. Therefore, I am convinced that nothing threatens the Hungarian-Slovak border from our side and that, as long as the Slovak Government guarantees the political, cultural, and language rights to the Hungarians in Slovakia, the Hungarian public both in Slovakia and in Hungary will accept the current borders as natural and as possible to cross. This border can become just as transparent as the western borders.

[Kis] If I understand you correctly, the Hungarian Government intends to link the settlement of the borders and the national minority issue, at least on a psychological level.

[Baba] This is true. On a social psychological level. The Hungarian public obviously has the feeling that the Hungarian minorities have to be protected. A number of means can be associated with this. It is perfectly natural that we are not trying to protect them through changing the borders but through developing, for example, international law and legal practice. We want to resolve the protection of national minorities by making the minority issue an all-European concern. The national minority issue is not a domestic but an all-European issue. In addition, it is not only an issue of human rights because, if it is not resolved, then it will turn into a security policy problem.

[Kis] However, the undoubtedly existing Hungarian phobia in Slovakia can turn into a psychological barrier.

[Baba] Which is artificially incited!

[Kis] Perhaps, but the point is that it exists. Should Hungary be considering certain gestures now, at the moment of the birth of the new state, that could lessen this undoubtedly existing phobia? If by nothing else then through small steps, for example, in the economy.

[Baba] Small steps do exist but they have not come to the forefront of attention. Several hundred Hungarian-Slovak joint ventures are operating at the two sides of the border. We are preparing to open new border crossing points. The draft free trade agreement of the Visegrad countries has been completed. Whether it will be signed is a matter to be decided but the text is essentially complete. We consider practical cooperation very important. The question is how fast the market economy will be established in Slovakia.

[Kis] Bos is a further major obstacle to cooperation. What chance do you give to an agreement?

[Baba] Bos is one of the basic issues. The problem should be resolved within the framework offered by the civilized Europe. Bos is a big issue from a number of viewpoints—it has legal, environmental, economic, and even geostrategic aspects. The attitude and the behavior are the basic problems. In other words, whether Bratislava wants to resolve the problem and if it does, then in how tolerant and European a way. At this moment, in my view, there are few signs of our partner trying to achieve a quick solution. I hope that we will get past this phase and then the issue will lose its political aspects. This situation has not yet arrived and, in my view, it is not we who over-politicized this issue.

[Kis] Under the aegis of the EC, tripartite talks have started on Bos and at the same time, views that urge a compromise solution have become stronger in Hungary. You already held such views several months ago and were vehemently criticized for this. Is the general acceptance of the word compromise a satisfaction for you?

[Baba] At that time, I was a member of the Danube movement that fought tooth and nail against the Bos-Nagymaros plan. Now, since the spring of 1992, we have been in a position where we should close the whole Bos file and then open it again and look through it with a special tolerance. We should examine all its aspects carefully and rationally. We have not succeeded in this yet. Turning to a third party is the only solution. This could be The Hague International Court. It is not the best but the only solution. Brussels cannot take on anything more than that. Naturally, the key issue is how much willingness the two sides have to come to an agreement. I would not say that I feel satisfaction because of the current turn of events. We have been engaged in trying to find the least bad solution—it would be good to make a step forward.

[Kis] At the end of the interview, let us return to our starting point. You come from Slovakia and have personal links with this country. What kind of feelings does Slovak independence evoke in you? What do you expect will happen in Slovakia after 1 January 1993?

[Baba] I was indeed born there, and my mother, my relatives, and many of my friends are living there—Hungarians and Slovaks. It matters to me a lot what happens in the independent Slovakia. As far as I can judge the situation on the basis of my experiences and as far as I know the traditions, culture, and people of this country, my impression is that Slovak society will get over this initial, exaggerated phase. The question is, at what cost. It would be good if the price were that the nationalist wave that is flooding it now calms down and all this is replaced by facing all the difficulties that the country will naturally have to face. I hope that Slovak society is adult enough to realize that problems cannot be solved through nationalist slogans, and that these slogans are completely anachronistic. I am convinced

that the Slovak political elite also has a considerable group that can see precisely the existing positive traditions in Slovak-Hungarian relations, which can be used as a basis to build on, and that it is in the vital interest of the Slovak nation and society to have good relations with the Hungarians. Sooner or later, this force will get to the point where it can counterbalance those extremisms that behave completely irrationally against the Hungarians. In my view, this nationalist wave could fizzle out in one or two years and a more consolidated period will follow.

Croatian Prime Minister Arrives for Talks

LD1612115992 Budapest MTI in English 1010 GMT 16 Dec 92

[Text] Budapest, December 16 (MTI)—Croatian Prime Minister Hrvoje Sarinic on Wednesday [16 December] morning arrived in Budapest on a one-day official visit invited by counterpart Jozsef Antall. Shortly after their arrival, Sarinic and his group began talking with the Hungarian group, made up of Antall and ministers Elemer Gergatz of agriculture, Bela Kadar of international economic relations, and Csaba Siklos of transport.

President Arpad Goncz and Parliament Speaker Gyorgy Szabad meet Sarinic in the afternoon. Antall and Sarinic will sign the Hungarian-Croatian basic treaty later this morning, following the talks.

Cabinet Reshuffle, Democratic Forum Changes Seen

AU1612134192 Budapest MAGYAR HIRLAP in Hungarian 15 Dec 92 p 3

[Report by "N.E.-Sz.P.": "Exposed Letters To Corner Csurka—Government Reshuffle Expected in January"]

[Text] New information confirms the details MAGYAR HIRLAP has acquired, according to which the center forces in the Hungarian Democratic Forum [MDF] that oppose Istvan Csurka's line are trying to push the former deputy chairman into the background through amending the statute. According to this, the center forces are planning a number of alternative proposals for the January national rally. Based on the statements of our informers, according to one version, both the national board and the presidium of the current structure would cease to exist. After the amendment of the statute to be implemented at the beginning of the national rally, a quasi-board or governing body would be established consisting of all deputies in the parliamentary faction and the resigning members of the current national presidium, plus some members of the current board. The body formed in this way would largely overtake the functions of the national rally, which from then on would only annually elect the chairman of the MDF and would determine the concept of the political guidelines. The new "board," which is to have many hundreds of members would hold at least four sessions a year as a parliament of the party and bring decisions on important issues affecting the party. According to some views, this body would elect a further management core from within itself.

According to our information received from MDF leading circles, at last Friday's [11 December] session where the position of deputy chairmanship was abolished, members of the presidium initially tried to convince Istvan Csurka to resign his position as deputy chairman. After their attempt proved to be in vain, they announced the final solution that was also made public, "sacrificing" the other five deputy chairmen at the same time. As a means to corner Csurka, eight or 10 letters were shown at the session of the presidium that had been sent by MDF organizations from various parts of the country and that were written against Istvan Csurka.

As we have previously indicated, the MDF organization in Dunakeszi held out the possibility of dissolving itself if the presidium "hurt" Csurka. The counterletters that arrived on Friday supported the center. Through these, the presidium tried to corner Csurka and force him to resign. However, there was a mistake in the calculations. At the session, someone immediately noted that "the petitions from all parts of the country" were all sent by fax, the arrival time and date was exactly the same for all of them, and all were faxed from the MDF's Veszprem office to the Bem Square center in Budapest. A member of the presidium stated this fact and that this was a coordinated action by the Veszprem lobby of Tamas Szabo and the party machinery. This way, the blackmailing did not work.

Further information leaked from the biggest governing party support the fact of a government reshuffle. It seems certain now that [Prime Minister] Jozsef Antall will make a decision on this step in January, depending on events at the national rally.

Antall Rejects Goncz's Changes to Appointments

LD1512185192 Budapest MTI in English 1405 GMT 15 Dec 92

[Text] Budapest, December 15 (MTI)—On behalf of the government, Hungarian Prime Minister Jozsef Antall told parliament Tuesday [15 December] that he rejected President Goncz's proposed changes to the system of appointment of heads of Hungary's public-service media. Goncz had proposed that he would renounce his right to appoint the media chiefs, if the prime minister renounced his right to propose them.

The president also proposed that the media chiefs should be elected either by a two-thirds majority of the parliament's Cultural Committee or by a board composed in part of members of the parliamentary parties and in part of renowned, independent personalities from Hungary's cultural life.

On behalf of his government, Antall rejected both amendments put forward by the president. There was no

reason whatsoever for amending a law passed in 1990 by an overwhelming majority, Antall said.

The prime minister recalled that after his September 29 talks with Goncz he consented, as a one-off political solution, that the six parliamentary parties should hold negotiations on the media bill and the selection of media chiefs, although he believed it was inconceivable that all sides would agree. In the course of talks, the opposition refused this one-off opportunity, he said. Now, as Goncz's proposal showed, the president had accepted the opposition position.

The prime minister said the government would spare no effort to enact the media law, to enforce freedom of speech and the press and to maintain the efficient operation of radio and television. Antall expressed the hope that talks on the media would continue between opposition and ruling coalition parties in the parliamentary committees.

State Secretary on Mismanagement of TV Funds

LD1412214892 Budapest MTI in English 2111 GMT 14 Dec 92

[Text] Budapest, December 14 (MTI)—"Strong suspicions remain that hundreds of millions of forints were mismanaged within Hungarian Television," Tamas Katona, state secretary of the prime minister's office, said at the Monday session of parliament's Cultural Committee.

The government had no other choice than taking the required measures, he said. For this reason, it initiated criminal proceedings against intendant Gabor Banyai and economic manager Laszlo Nagy, and disciplinary action against TV president Elemer Hankiss, who is alleged to have neglected financial supervision, Katona said. The state secretary announced that the Finance Ministry's investigation revealed some facts which were awkward for all sides concerned, all the more so since they would generate further tension in the media debate.

The Cultural Committee formally declared President Arpad Goncz's proposal for amending the order of appointment of the public service broadcasting chiefs as suitable for discussion. The pro-government majority of the committee, however, indicated that it disagreed with the proposal itself. The Constitutional Law Committee said the proposal was unsuitable for parliamentary debate.

TV President Hankiss Discusses Suspension

AU1512091192 Budapest MTI in English 2109 GMT 12 Dec 92

[Text] Budapest, 12 Dec (MTI)—If Hungarian Television vice-president Gabor Nahlik refrains from starting structural, personnel and editorial changes in television, suspended TV president Elemer Hankiss will be ready to work on the institution's development concepts at home over the next few days, with a view to avoiding tension.

Should, however, Nahlik ignore this tacit agreement and decide, for instance, to place the dismissed editor in chief of the political programme "Panorama" back to his position, Hankiss would undertake the conflict again by all means, journalists were told at an international briefing given by Hankiss in Budapest on Saturday [12 December] evening.

The press conference was attended by Nahlik and Tamas Katona, parliamentary secretary of state at the Prime Minister's Office in charge of media affairs. Answering a question, Hankiss said he did not feel to be facing a show trial despite the fact that the government initiated a disciplinary action against him for political reasons. However, this in no way compares to the trials of the fifties, Hankiss said and added this was not to mean he agreed with what had happened. He believed that the court would prove him correct. Hankiss referred to TV's financial plight which compelled its leaders to conclude the criticized contracts.

As reported, following the discovery of financial offences in the television, president Hankiss, TV1 intendant Gabor Banyai and general economic manager Laszlo Nagy were suspended from their offices for the time of investigations.

Katona told reporters that the government did not wish to comment on the affair before the end of investigations, and would accept the court's verdict.

The government, as the opposition, would like to see an unbiased and independent television free from political influences, Katona said. For this, stable circumstances are required, he added. He reconfirmed the government's interest in passing a law on radio and television, and said the relevant bill may be presented to parliament still before the year is out.

Silesian Mines Strike Widens; Demands Reported

LD1512150892 Warsaw PAP in English 1316 GMT 15 Dec 92

[Text] Katowice, Dec. 15—The Federation of Miners' Unions and Poland's Miners Union say they will stage general strike in mines January 15, 1993, unless the government "immediately changes its economic policy to ensure decent living for working people in 1993." The two trade union organizations, that made the statement Tuesday [15 December], consider the miners' strike that started Monday legitimate. They are taking part in it and, in their opinion, the strike should influence a change in the government economic policy and living conditions.

[Warsaw Radio Warszawa Network in Polish at 0200 GMT on 15 December further reported on the escalating strike situation in Silesia, noting "10 mines have passed from a warning strike to a continuous strike. An 11th mine joined them in the evening. A Regional Strike Committee has been formed that has formulated a list of 23 demands to the government." Among the reported demands are "that the perpertrators of economic scandals be brought to justice and that the principle of equality before the law be adhered to. In the view of the strikers, the routine protection of perpertrators who are parliamentarians from penal responsibility is a scandal."

Warsaw Radio Warszawa Network in Polish at 0400 GMT on 15 December adds the Strike Committee's demands for "the halting of the fall in real wages and also the lifting or restructuring of the indebtedness of the mines. The strikers also demand the rejection of the concept of the subservience of coal-mining to the Ministry of Ownership Transformations. The demands also relate to the assurance by the government of funds for the rescue of mining, the determination of the proper principles for export policy for Polish coal, and also its intervention procurement. The strikers demand the creation of a Mining Employment Bureau that would be controlled by Solidarity and also of a Mining Training Centre for those persons threatened with redundancy from work.]

Minister Interrupts Austria Visit Due to Strikes

LD1612114792 Warsaw PAP in English 1032 GMT 16 Dec 92

[Text] Warsaw, Dec. 16—Minister of Industry and Trade Waclaw Niewiarowski interrupted his visit to Austria, Switzerland and Liechtenstein in connection with strikes in Polish collieries and returned to Poland on Wednesday [16 December] morning, Grazyna Lewandowska spokeswoman for the Ministry of Industry and Trade Grazyna Lewandowska announced on Wednesday. The minister left Poland on Tuesday to pay a four-day visit to these four countries where he was to get acquainted with latest methods of waste utilization.

President Walesa Gives Radio Interview

LD1512080592 Warsaw Radio Warszawa Network in Polish 1303 GMT 14 Dec 92

[Interview with Polish President Lech Walesa by reporters Andrzej Jelenski and Marek Kassa in Warsaw on 14 December—recorded]

[Excerpts] [Reporter] Good morning, Mr. President. We greet you in the name of the listeners of the Polish Radio's "First Program." To begin with, we are speaking on the day after the anniversary of martial law. Why do we only speak of 13 December on that day alone?

[Walesa] Because we are required to speak in concrete terms. [passage omitted]

[Reporter] Why did you not respond to the appeal of the Confederation for an Independent Poland [KPN] for assistance in bringing the people responsible for the imposition of martial law before the courts?

[Walesa] I think this is a big subject, for which one has to be prepared. It cannot be resolved at lightning speed. I have already said that we must, before replying to another question, reply to the question of whether there was a possibility of getting to the Third Republic directly, whether the development of our state of affairs can be painted solely in black and white. If we will reply to this question, then the judgment will be very straightforward. [passage omitted]

[Reporter] One gets the impression that Poles live with a contradiction. They wish to live in a democracy, but simultaneously dream of a dictatorship. You are also embroiled in such a contradiction. You were chosen to be strong and immediately resolve all the difficulties of Poland and Poles. Such, quite simply, is your temperament. Meanwhile, as if against yourself, you have become the guarantor of democratic but slower transformation. Ought this to be understood as good sense or as helplessness?

[Walesa] In the social evaluation, people wish that everyone who leads the nation—all of the top leadership—that they have solutions available, that they do this for others. Because this is so enormous a task, everyone would prefer that we—and the president—bring victory on a tray. They want the president to say how to have more and how to do nothing and have a lot. I understand this, but let us remember that this is a normal phenomenon that must be overcome through greater activity following 50 years without a program, without activity, and with a lack of democracy. [passage omitted]

I have no fear about the possibilities of imposition having been closed to me today because I have forsaken them. I have no fear that many, many opportunities for action have been taken away from them. I too have forsaken this, to the benefit of the construction of the democratic system. If things are dangerous, then these

opportunities will come to me of their own accord and will allow themselves to be used.

[Reporter] Why does the president not influence the Sejm more firmly?

[Walesa] Because we must work with them and not have solutions imposed. We must do this in a (?spirit) of greater activism. Every imposition—even the best presents—are nonetheless charity. I want us to work out intelligent, strong solutions. I have solutions, but I will not propose them because this is not the idea I am after.

[Reporter] The president sometimes says that people are not interested in mechanisms and are interested in being well ruled. In association with this, Mr. President, [words indistinct] taking a model from Marshal Pilsudski [interwar Polish leader], for instance, is it possible to more firmly influence the Sejm, even perhaps to have something along the lines of Bereza [Bereza Kartuska internment camp for opposition politicians in the years 1934-39]. This would be the cold shower that would induce the Sejm to better work because, right now, people are really complaining very much about the Sejm.

[Walesa] That is true but, again, we live in different times. The dangers are different; the necessities are different. I read the situation differently. I read that after 50 years we must press toward proper self-organization and greater commitment. I must force the nation. I cannot substitute for the nation. I cannot substitute for solutions. Again, of course, this is not beneficial for me. I suffer from this, but I know that it is worthwhile for the nation, for that which we will build in the future.

[Reporter] Do differences exist between the Belweder Palace [presidential residence] and the government of Prime Minister Suchocka? If so, then we would like to know what these differences are.

[Walesa] We are not at that stage yet, where the differences are enumerated. For the time being, the government is learning how to rule. The government is taking up solutions. It is doing very much. It is not the time for a collision because this is a period of construction. I understand small children who smash glasses.

[Reporter] Where is the congruence of views in Poland?

[Walesa] I think that we wish to reform. We know that there are difficulties. We want things to get better.

[Reporter] When Hanna Suchocka was becoming prime minister, you expressed certain fears about how things would be with a woman prime minister.

[Walesa] As you remember, gentlemen, I have for a long time relied on women. I would very much like still more women to be in various other positions, for instance in the Supreme Chamber of Control [NIK] and other places. I would like this, but women are not coming forward and are not getting through to these greater activities. I supported a woman prime minister. On the other hand, if I was somewhat hindered—perhaps I did not hinder—but I wanted to be far more certain about the coalition than about the longer rule. With regard to this point, after the lesson with the previous government, I demanded checking, specifications, and greater permanency. Hence, I was stubborn. I investigated. I insisted that this be a little more lasting, but not in order to disturb. [passage omitted]

[Reporter] Mr. President, the arguments have gone so far that even Solidarity cannot come to an agreement on strikes. Some are for, some are against. Some say this idea has been stolen from them. So, this division has gone very far.

[Walesa] An appropriate power has been formed that comes from money and the economy, and these big, organized enterprises with many trade unions are not centers of power in the new Poland. In this regard, they look for strength, but they cannot have it. They will not have it because common sense is somewhere else. We must live through this period, this period of chaos and lack of seriousness, and then we must seriously build things.

[Reporter] You were repeatedly saying that Poland needs an institution of the second Balcerowicz [former finance minister]—a kind of twin brother who could help out enterprises, companies, and regions in overcoming the crisis. This is the area for the government, for local government, and also for the president.

[Walesa] Everybody agrees with that, but this should be done by the government, and it is not doing it at the moment. This is necessary, however. It is indispensable for today, but tomorrow it will not be very much needed. Because this [words indistinct] it is needed for all those communist enterprises that cannot be as they used to be, where they have to be closed or reorganized. There is nobody to do this. Here is this second Balcerowicz. First, one closes enterprises because they do not make sense. They are too expensive, and they are not in the right place. He has to do that, this first Balcerowicz. The second Balcerowicz, however, must go with all the staff. He has to make something of those enterprises that collapsed, those communist enterprises, with a new structure and a new direction. We do not do that, and local enterprises that go bankrupt are not able to do that.

[Reporter] Mr. President, many people from those enterprises you are talking about—among them are Starachowice, Mielec, Lubin, or others like Jelcz—say that they were betrayed, that Solidarity was saying something else when it was reaching for power. It was saying that it would help them, that they would be living in better conditions. However, those companies are being closed now, and nobody thinks about them. They have to protest, and only when they protest are some forced solutions found.

[Walesa] We forget what I was saying a long time ago. Solidarity is a lot of double dutch. They struggle for possibilities. When the possibilities arrive, then it is every man for himself and let's face the possibilities

because they exist. Some stayed in their holes, and they still want all of us to wear one suit. However, we are not building that system. Hence, the new Solidarity era. The other Solidarity was double dutch.

We all go to this fight for possibilities, but when they exist then everyone has to go in their own suit: one in surplice, someone else with a screwdriver. Not everybody here will be a capitalist. We are still thinking this way, that everybody is a little bit of a capitalist. The mistake is in the understanding of what we were doing and what we should be doing. [passage omitted]

[Reporter] Mr. President, you are encouraging us to be active by privatization; However, the assessment of the privatization process by society is rather negative. It is very often said that national property is being stolen. Do you not think, in connection with this, that a greater social control should be used over the privatization processes by, for example, forming some kind of privatization court that would decide clearly if offers that are made are profitable or not and if more could be achieved?

[Reporter] So that the people could not say that the national property is being stolen.

[Walesa] Every speed, even when one runs, exposes us to the threat of twisting an ankle or falling over. That is why in order to privatize [word indistinct] collisions happen more quickly. We have to do it. I had suggestions, as you probably remember, and they addressed all this—that everybody has equal chances, but someone wiser stopped that, and we did not implement this. This is a great mistake. The basic task is that we have to change the economy into one similar to those in the West. We have to privatize. However, how it can be done honestly, whether there is a way of doing it honestly and better, well this is a question.

People are either active or nonactive. We, after 50 years, have to admit with regret that we have very few active people. People who are saying, I did not take that, I did not join, and someone else made money. We have many jealous people. This is the effect. If those people would join, after it would be [passage indistinct] [passage omitted]

[Reporter] Deputy Henryk Kroll, representing the German minority in the Sejm asked you for a meeting recently to discuss minority issues.

[Walesa] Of course, the meeting will certainly take place. I suggest to Kroll to hold a working meeting with people dealing with the issues, that is the prosecutor, voivoda, and others, to put matters in order. At the same time, I repeat that we want to live in one Europe, and Poland wants to enter Europe, where Germany is already, with Polish Silesia. Let nobody forget it. [passage omitted]

Recently, the Kaczynski brothers proposed a public meeting like the one with Miodowicz [former head of the All-Polish Trade Unions Agreement]. I hope that the whole Kaczynski family will come—Lech Kaczynski [NIK head] with wife, and Jaroslaw Kaczynski [Center Accord leader] with husband. We shall talk.

[Reporter] So, you will be ready to talk with Jaroslaw Kaczynski about Poland.

[Walesa] Not with Jaroslaw. I said with the family. I repeat it again. I hope that Lech Kaczynski will come with wife and Jaroslaw Kaczynski with husband and then we shall talk. [passage omitted]

[Reporter] Poles love the Pope but do not listen to him. It is suspected that they are afraid that the black is going to replace the red. In your view, is the Church not losing too much by being so expansive recently.

[Walesa] I think that the nation is losing. When people truly believed, and there was such a period in 1980-81, we had great successes. Later, when the situation improved, people stopped believing. People started to depart from the faith, and that is why we have less success. I propose a return to the faith. It has nothing to do with ruling. The church has not wanted to interfere with governing. The church will only tell the truth, which we accept once and ignore later.

[Reporter] Mr. President, not a very good picture of Poland is emerging from our conversation. The fragmented Sejm, lack of political discipline, weak government because of a weak coalition, limited presidential power, and economic crisis are still with us. You can predict. What is going to happen?

[Walesa] This is not true. Poland is really a nice country. The Poles got used to certain things during last decades. They got used to complaining and so on. Poland is on the move, and this is a good move. The role of the authorities is not to stand in the way. When the authorities quarrel and do not interfere, people can work. The authorities are to help make life easier. But if they are going to interfere and make things more difficult, let them quarrel better.

[Reporter] If you were a fortune teller, what would you say about 1993?

[Walesa] It will be much better. It will be the end of decline and ambiguity. The year 1993 will make things more clear, will consolidate, and will lead Poland onto a path of proper development. I am sure that this is going to happen.

[Reporter] Are lazy parties going to disappear and will real political parties appear?

[Walesa] Not yet. There are still not enough shopkeepers. They still do not have enough money. Some of them do not want to admit they have some property. So, it is going to take some time. But things are already moving in the right direction.

[Reporter] Thank you very much.

Walesa Comments on Budget, Abortion, TV Debate

WS1512151192 Warsaw SERWIS INFORMACYJNY in Polish 2209 GMT 10 Dec 92

["Lech Walesa News Conference"—SERWIS INFORMACYJNY headline]

[Excerpt] [passage omitted]

President on Troop Combat Readiness of the Internal Affairs Ministry in June

Asked whether he continues to stand by his previous statements about the Olszewski cabinet against the backdrop of the Sejm committee's finding that there was no attempt to introduce higher combat readiness in the Army from 4 to 5 June, Walesa said that the matter had not yet been closed. The military prosecutors are conducting an investigation into this matter. He also said: "I do not withdraw my previous statements. Perhaps the alert did not work because it was badly prepared. If I had prepared it, it would have worked for sure."

President on the Katyn Crime

When asked about the problem of bringing to justice those who were responsible for the Katyn crime, the president said: "If I could get a hold of Stalin today, I would show him a thing or two." He also added that the main culprits of the tragedy are already "on the other side." The president said that the problem must certainly be solved, and it cannot remain in the current state.

Referendum a Trojan Horse

Commenting on the anti-abortion referendum, Walesa said that it was a "Trojan horse which, under the pretext of penalizing wants to ordain abortion." In the president's opinion, this problem cannot be examined in portions. It has at least three distinct sides. Walesa also said: "All of us like to make love and there is no doubt about it."

President's Stand on Budget

The president, asked about his stand on the budget bill, said that he hoped that the deputies who will distribute the scarce funds, will do so fairly. He also said that more attention should be paid to problems that can be found in ordinary life. The president also declared that he could decrease his salary by 50 percent.

On the Television Debate With Alfred Miodowicz

Asked why he had decided to hold a television debate with Alfred Miodowicz, who is no longer a public person, rather than to debate the real opposition such as the Kaczynski brothers, the president said that it would have been bad to reject the meeting with Miodowicz. It would have meant that he fought for changes but now does not want to meet and confront that which has been done. He emphasized that he is not afraid of any meetings, and if he were to receive a similar proposal from the Kaczynski brothers, he may also debate them on television.

On Pardoning Roman Galuszko

Asked if he would pardon R. Galuszko, Walesa said that he was still waiting for the opinions of the generals and people who know more about the subject.

Daily Examines Walesa's Record as President

AU1512082892 Warsaw RZECZPOSPOLITA in Polish 9 Dec 92 p 3

[Article by Malgorzata Subotic: "The Virtue of Unpredictability"]

[Text] "But the country is free, and you have the kind of president you were able to afford. You elected me," said Lech Walesa the other week, and it is difficult to argue with that.

Two years after the presidential election, unpredictability remains Lech Walesa's chief characteristic, and his saying "I am for, and even against" remains the quintessence of his behavior. Walesa is "vacuous"; he probably thinks that any political alignment on his part would deprive him of his greatest virtue—unpredictability.

Walesa already possessed this virtue when he was leader of the first non-communist organization between the Bug and Elbe rivers. But is it still a virtue now that he is a head of state? What does the history of the past two years have to say?

"That is what the Poles need, a guy who behaves in an unpredictable way and cannot be gauged by the adversary, someone in whom unpredictability is the chief characteristic, unpredictability as a weapon in winning battles," said Piotr Wierzbicki, one of Walesa's closest supporters, during the presidential campaign. "A leader who behaves unpredictably surely emerges triumphant." But the Solidarity chairman's opponents considered this "virtue" to be one of the future head of state's main faults.

Wierzbicki describes unpredictability as a weapon in winning battles. That is perhaps the key to understanding Walesa's behavior. The Solidarity chairman had to have an opponent to fight against. His critics even describe him as a "nonentity." What does he mean when he says that he is without equal in destroying, but helpless in building? He talks about a master plan that Poland needs, but refuses to disclose anything about it. His colleagues and political allies could do so, but....

Exactly. The problem is that the president, his opponents maintain, does not have any aides who are competent and at the same time loyal, and does not want any.

His personnel policy consists of frequently replacing the political elites with whom he cooperates, and surrounding himself with the same people all the time, a

so-called court. This court consists of three people: Mieczyslaw Wachowski, Andrzej Drzycimski, and the Reverend Franciszek Cybula. Well-informed sources say that these men are at Walesa's beck and call 24 hours a day, ready to fulfill his every wish. However, his political allies are chosen according to the principle: Support the weak, but abandon them if they grow strong. His objective is to maintain his position, which means making sure that the gap between him and every other political authority remains big. His opponents, who are increasing in number, say that maintaining this kind of position might serve Walesa's interests, but it does not serve Poland's.

Members of the Movement for the Republic, who cannot forgive the president because of the secret files affair, say that Walesa concludes only negative alliances, meant to last a short time. These alliances contain no strategy, and not an ounce of loyalty toward his former comrades-in-arms.

A good example is Center Accord leader Jaroslaw Kaczynski, who was Walesa's closest colleague and one of the leaders of his presidential campaign, but today is the president's number one enemy. The evidence is that Walesa was so successful in his struggle against Kaczynski that he will now have to find a new opponent. But who?

But the president's "bad luck" with people does not apply to the personnel decisions that are most important from the point of view of the country. Perhaps no one today has any doubt that Tadeusz Mazowiecki was the best possible prime minister for the post-"roundtable" period, and yet Mazowiecki's candidature surprised many at the time.

Jan K. Bielecki's performance as prime minister surprised even the person who proposed him, in other words Walesa, and the correctness of dismissing Bielecki's successor, Jan Olszewski, was confirmed by subsequent events. Although the Sejm's choice of Olszewski for prime minister was perhaps the biggest setback of Walesa's presidency, Lech proved ineffective in competing against the united will of the five center-right-wing parties. Perhaps that was yet another confirmation of the theory that the best way to safeguard one's own interests is to have everyone fight against everyone else.

What determines Walesa's greatness? Is he in fact still great? Is his apparently unthreatened position solely the result of the weakness of all the other politicians who have neither a vision of the future nor the courage to implement their goals? If presidential elections were held today, who would win? Jan Olszewski? Hanna Suchocka? Or perhaps Tyminski?

No one, not even his presidential campaign opponents, doubts that Walesa had to become president, and he had every chance of being the president of change in Poland. Will he now be the biggest flop of the Solidarity revolution?

I asked many politicians what they would wish Lech Walesa on the second anniversary of his presidency, but they all refused to say anything except one. Jaroslaw Kaczynski said: "In this concluding period of his presidency—and I hope it is the concluding period—I wish he would change his policies and entourage, and refer back to the great period in his life."

Suchocka Discusses Coalition, Future

AU1312130692 Warsaw ZYCIE WARSZAWY in Polish 7 Dec 92 pp 8, 9

[Interview with Prime Minister Hanna Suchocka by Jerzy Wysocki and Jacek Zakowski; place and date not given: "The Coalition as It Actually Is"]

[Text] [ZYCIE WARSZAWY] Why did you tear up your mandate as a delegate to the Democratic Union [UD] regional conference in Poznan? What was that supposed to signify?

[Suchocka] Nothing.... At the end of every meeting, I tear up all the papers that I no longer need.... That is all there is to it.

[ZYCIE WARSZAWY] Did it not signify emphatic opposition?

[Suchocka] Definitely not. I express opposition in words....

[ZYCIE WARSZAWY] Including opposition to the referendum?

[Suchocka] The government has no stance on that issue at all. When we started forming the government, because it was made of parties that differed considerably with respect to ideology, we agreed that questions of an ideological nature would not be among the issues dealt with by the government. As prime minister, I can neither adopt a stance of being for or against this issue.

[ZYCIE WARSZAWY] But as Hanna Suchocka?

[Suchocka] I am against it. As I have already said, the referendum may divide society, and there is no certainty that it will give a true picture of people's views.

[ZYCIE WARSZAWY] Does that mean that you are following in the footsteps of former Prime Ministers Tadeusz Mazowiecki and Jan Olszewski and have embarked on the path that will alienate you from your own party? The UD supports the referendum.

[Suchocka] There is by no means a clear majority in favor of the referendum within the UD. All UD programmatic documents and UD practice until now have clearly observed the principle that discipline is not imposed on members with respect to matters of conscience. Members of Parliament are guaranteed freedom regarding what they say and how they vote on the law on the legal protection of the unborn child. What I said at

Poznan and other UD meetings where I expressed a position was always aimed at defending the principle of freedom of conscience.

[ZYCIE WARSZAWY] Are you not afraid that if a referendum is not held now, then the next elections will turn into an abortion plebiscite? The issue has already played an enormous role in previous election campaigns. So, we face a danger now that the criterion according to which people will be chosen will not be their ability to be involved in running the state, but their position on abortion.

[Suchocka] However, the voter, in contrast to someone taking part in a referendum, will always see things from the angle of the people standing as candidates.

[ZYCIE WARSZAWY] How will you vote in the Sejm for the ban on abortion and for making abortion a punishable offense?

[Suchocka] I will vote in accordance with my views. I am opposed to abortion and I am also opposed to making abortion a punishable offense. Polish law must defend life—this is something about which a clear statement should be made, but on the other hand, making abortion punishable will not help matters.

[ZYCIE WARSZAWY] When you took office, you said that it would be possible to assess your ministers in three months' time....

[Suchocka] It is more a case of the government having to work for three months before one can begin to think about who has proven himself to be able and who has not.

[ZYCIE WARSZAWY] Are you receiving criticism concerning the work of individual ministers?

[Suchocka] If I were to accept and believe all the criticism, then I would say that so far Minister Jan Rokita [chairman of the Council of Ministers] has been criticized the most. That example shows that I have to be exceptionally cautious and candid in approaching such so-called criticism. Very often it is plain slander....

[ZYCIE WARSZAWY] But the criticism is often of a substantive kind.

[Suchocka] Indeed, but often the supposed substantive charges have a strictly political backdrop.

[ZYCIE WARSZAWY] You find that there is no basis then for any of the charges directed at members of your cabinet?

[Suchocka] If I do find that there is some basis for serious charges leveled at any minister, I will convey that to the Sejm and the president in accordance with the "Small Constitution."

[ZYCIE WARSZAWY] From the outset, it was said that things would not be easy for the coalition: Too many sacrifices were required of the participants, and the coalition would have to remain above too many political emotions. Its survival requires complete loyalty from all the participants. How do you view that loyalty?

[Suchocka] So far the coalition has passed the test. It has passed the test regarding all fundamental, critical issues.

On the other hand, the way in which meetings of the government and the Sejm work out differs. There are some decisions that certain parties find harder to accept and others find easier to accept. However, we manage to reach compromises that are acceptable to everyone.

[ZYCIE WARSZAWY] Is the government's position an arithmetic mean of the views of all the coalition parties?

[Suchocka] It is not, of course, an arithmetic mean, but everyone must agree to compromises. That is the reality of a coalition.

Every party entering Parliament looks to being able to have its program fully realized. Participation in a coalition does not, however, have to mean departing from that ideal. Abandoning a certain part of one's program is always difficult and that is why one sometimes gets the feeling that if one cannot realize one's own program, then that is to the advantage of another party, that one is losing part of one's own identity. Sometime there are significant sacrifices.

[ZYCIE WARSZAWY] Are the sacrifices equal?

[Suchocka] My feeling, as prime minister, is that they are.

[ZYCIE WARSZAWY] As prime minister, how do you see your role in a government whose decisions have to be the product of consensus?

[Suchocka] The government's work is not about cutting out bits from the programs of individual parties. It is, above all, about working for the state as a whole. When I am directing the government and we are preparing certain parliamentary measures, I do not have the party programs laid out in front of me. I conduct our common policy and I have a certain idea.... After all, I cannot just seek to defuse party disputes because then I would have to be the political leader of the coalition, but I am actually the head of the government....

[ZYCIE WARSZAWY] Does that mean that your idea of the head of a government, even one that is a coalition to as great a degree as this one, would be closer to that of a chancellor-led arrangement, in which the head of the government holds an uncompromisingly dominant position? It has been said for years that Poland is a ministry state, that it is a federation of ministries.

[Suchocka] I fear that it often functions that way. A lot of work still has to be done to change that. There is a tradition and a certain way of doing things that is very strong in this respect. The "Small Constitution" will also introduce a great revolution in this respect. It will not introduce a chancellor-led model in which only the

prime minister is accountable to Parliament and ministers are accountable to the prime minister.

[ZYCIE WARSZAWY] So, to what extent can you influence the ministries and bear responsibility for the work of your ministers?

[Suchocka] They are personally responsible before parliament. Under a chancellor-led system, it is impermissible for parliament to use its powers to have ministers plucked out of the chancellor's cabinet because deputies do not like this or that minister. The chancellor himself decides whether he wants to work with a particular minister. If members do not like one, three, or five of the ministers, they will pass a vote of no confidence in the chancellor and the government will then be dismissed. However, that extremely rarely happens.

[ZYCIE WARSZAWY] Does that mean that you are repeating, albeit in a much milder form, what President Walesa likes to say—that he wants to, but he cannot, because the law does not permit him, because he does not have the necessary powers?

[Suchocka] I never complain about formal restrictions. The question was whether I see myself as a chancellor. So, I am stressing conditions as they actually are. The "Small Constitution" is slowly moving in the direction of strengthening executive power, while still making both individual ministers and the entire government responsible before Parliament. Under a chancellor-led system, that is impossible.

[ZYCIE WARSZAWY] But while the German chancellor is strong, the office of the president is weak, and in Poland, both institutions want to be strengthened. What are your relations with the Belweder [presidential residence] like? Are they correct?

[Suchocka] Not only are they correct, they are actually good!

[ZYCIE WARSZAWY] However, Lech Walesa may feel concerned that the government is assuming a stable character....

[Suchocka] I have not received any indications from the president that a stable government poses some kind of threat to him. On the contrary, the Belweder is interested in a stable government and the preservation of the coalition. Of course, that is if the government makes the necessary decisions. That is completely clear....

The arrangement is obvious and clear. The government exercises its power and the president exercises his own. Where there is a certain common area, we seek ways of reaching agreement, communicating, and making decisions that are in accordance with the leanings or intentions of both the Belweder and government.

[ZYCIE WARSZAWY] What common areas are you thinking of?

[Suchocka] That is clearly stated in the Constitution. The president is the commander in chief of the Armed Forces. So, on defense matters, there is a special procedure according to which the president and government reach agreement. The president also represents Poland abroad, and the minister of foreign affairs represents the government and conducts foreign policy. This is also an area where it is possible to seek a common position so that contradictory things are not said, which is something that has already happened in the past few years.

The president has on two occasions attended meetings of the Council of Ministers and was once present at a meeting of the government presidium at which matters of common interest were discussed.

[ZYCIE WARSZAWY] Does that mean that finding a consensus is not a problem?

[Suchocka] With goodwill on both sides—which presently exists—it cannot be a problem.

[ZYCIE WARSZAWY] The coalition is faring well, relations with the Belweder are taking on a promising form: Those are positive elements. However, since your government was formed, there has been talk of the need to expand the coalition, and it seems that you have not achieved much in this respect.

[Suchocka] I head the government....

[ZYCIE WARSZAWY] So, whose job is it to try to expand the coalition?

[Suchocka] Those parties that reached agreement on forming the coalition. My government was formed as a result of an agreement between several parties that felt responsible for the state. That has to be respected. A prime minister, who heads the government, was chosen. Decisions on expanding the coalition are a matter for the leaders of the groupings forming it and not the government and prime minister.

[ZYCIE WARSZAWY] But someone has to provide the stimulus for such a change.

[Suchocka] We are holding political talks. We can issue signals, we call meetings of "the seven parties," and there is a special minister for parliamentary affairs. In my opinion, there is a debate in progress with leaders of individual parties, including opposition parties, and attention is being drawn to the need to expand the coalition or define those areas in which it would have to be strengthened. However, the final decision is definitely a matter for the coalition parties....

[ZYCIE WARSZAWY] Do you feel that there is a need for it to be strengthened in that way?

[Suchocka] That is so obvious that it would be dishonest of me to say "no." It is better for every government to have a majority coalition, one that has so many votes in parliament that it can operate without having to worry

about the turnout in parliament. However, that kind of comfortable situation is not always possible and not in every parliament.

In our parliament, what is important is that one should understand that the essence of democracy, the essence of the parliamentary system is that one has to ensure the democratic functioning of the state as an institution and not to seek to bring down the government irrespective of the price. In states that have a very stable democratic system, minority governments function entirely successfully—Denmark is a good example. Governments that have a majority opposing them when they are formed function and are stable. That is because in stable democracies there is a consensus that it is better to have a minority government than no government or a government that changes every few months.

In our case, however, every meeting of parliament sees an attempt being made to stage a clash—well, perhaps we will manage it this time, perhaps we will succeed in bringing down the government. That is a manner of thinking that does not see things from the state angle, but the party one.

[ZYCIE WARSZAWY] Those are charges that opposition members would no doubt respond to by leveling accusations of arrogance, of disregarding groups that do not belong to the coalition, of failing to try to establish a dialogue with them.

[Suchocka] It is already becoming something of a tradition for the opposition to level charges of arrogance. We are trying to hold meetings with opposition representatives to at least obtain a constructive position. A constructive opposition is not harmful to the state; on the contrary, it ensures that a democracy functions properly.

[ZYCIE WARSZAWY] What do you mean by constructive opposition?

[Suchocka] The attitude that the UD displayed when it was in opposition. That was at least the case when the Olszewski government submitted its budget to the Sejm. The UD was critical of the budget, but it voted for its adoption because it was obvious that the state has to have some kind of budget. I believe that I have a right to expect similar conduct of parties that want to be considered responsible and thinking in terms of what is good for the state.

[ZYCIE WARSZAWY] Do you consider the Polish Peasant Party [PSL] to be such a party? The government appears to devote more attention to it than to other groupings.

[Suchocka] What I would expect of the PSL is that it thinks in terms of state categories. My recent meeting with Waldemar Pawlak [PSL leader] would confirm that.

[ZYCIE WARSZAWY] This government, in particular, seems to be realizing many things called for by the opposition, to take greater public involvement in economic changes as just one example....

[Suchocka] But which opposition are you referring to?

[ZYCIE WARSZAWY] The peasant opposition to both the Mazowiecki and Bielecki governments, the opposition to the Balcerowicz [former finance minister] line—at that time an alternative seemed to be taking shape in the form of giving more consideration to growing social problems, a more active industry policy, and the protection of domestic producers.

[Suchocka] That depends on which newspaper you pick up and which opposition you listen to. Some say that we display no concern whatsoever for society, that we only see our own, very narrow anti-inflationary policy. Others say that we are too concerned about society, that we are making too many concessions toward social demands and trade unions. It seems to me, however, that there is a middle ground between those extreme assessments. To a large extent, the government is made up, one can say, of persons who were in the Mazowiecki government and the Bielecki government. We are drawing conclusions from the experiences of previous years—namely, we are taking account of the social factor to a greater or broader degree. That is why I made it clear in my inaugural speech that we want to build a social market economy, that we do not want to create the kind of rapacious free market that sees nothing beyond it, beyond money and inflation. That is the source of our social elements. On the other hand, we cannot lose what we have achieved with such difficulty. We cannot undermine macroeconomic stability. We cannot allow the return of inflation.

[ZYCIE WARSZAWY] Is it not the case that at the outset, this government was frightened by the fall strike wave and that the responsiveness to social demands, including the enterprise pact proposal, were intended to calm moods?

[Suchocka] No. What is being realized is the "Pact for Poland" that was announced even before the elections. It was not fear, but a consequence of the view and the ideas behind it that after three years of very tough reforms, one has to and one already can take account of social needs to a greater extent.

[ZYCIE WARSZAWY] We have arrived at a very important issue. We have talked about the state, about mechanisms, and finally we must ask ourselves what kind of Poland do you, as prime minister, want to build? How do you envisage this country in a few years time? What is it to be like?

[Suchocka] I described that in my October Sejm speech. Poland has a chance to become a wealthy country. We can double our national income within 10 years. That does, of course, require that many conditions be satisfied, and all of them are difficult ones. We must use the fact that the recession is drawing to a close to begin investing in our future. Every suitably invested zloty must produce further zlotys that will then yield even more zlotys.... That is obvious in relation to every individual household. We have to understand that the same applies to our common Polish household. That

does not mean—as some have interpreted it to mean—that I am trying to persuade people to cut down on consumption further. All I am trying to do is convince people that we should not immediately consume the growth that is now making itself felt and we should invest at least half of it.... It will be worth it. That is one vision, an optimistic one. I am prime minister as long as I can believe in it. But a second scenario, one that I will not subscribe to, is also possible: We consider that after three years of sacrifices, we finally deserve a definite increase in consumption. We will then consume all the growth and even more, by, for example, taking out loans for consumption purposes, although I doubt that anyone would give us them. Then, in three, seven, and 10 years' time, we have a Poland that is as poor as today, the only difference being that all the states in Europe will be even wealthier than today. And the historians will talk about these times in even worse terms than when we talk about Poland under the Prussian partition. They will say: "Poland wasted the chance it had."

[ZYCIE WARSZAWY] That concerns economic matters, but I am primarily asking about the model of the state. I get the impression that Poles would like to participate more in decision-making processes.

[Suchocka] I would say that it is more the case that Poles have stopped believing that things will be better after successive elections. I think that what they want more is a certain stability and comprehensible program for the future.

[ZYCIE WARSZAWY] What about the stunningly high level of support for the idea of a referendum?

[Suchocka] That is a different matter. Remember what the level of participation was like in the first, highly publicized completely democratic parliamentary elections.

[ZYCIE WARSZAWY] Was that low turnout not by any chance the result of a belief that elections will have little impact on concrete decisions, and is the support for the referendum not proof of confusion about the workings of elections in which there are several dozen parties?

[Suchocka] To turn to the institution of the referendum on as complex a matter as abortion, society has to be even better prepared than for the last elections. Poland has not had a referendum tradition. There have only been two referenda: One whose result was obviously falsified and the second was universally boycotted. We have no positive experiences in this respect.

[ZYCIE WARSZAWY] In view of the number of fundamental problems that Poland faces and the incomprehensibility of election results, actually only opinion polls enable one to find out what society's views are, what people would like. Do you not think that, from time to time, appealing to precisely the authoritative expression of public opinion that the result of a referendum provides would clear up the situation regarding many complex problems?

[Suchocka] I am sure that there are such issues, but in general I am skeptical, especially as in other states, the institution is not so widely used, but public opinion research institutes are consulted more frequently. Even in as democratic a state as the United States, opinion research performs an enormous political role.

[ZYCIE WARSZAWY] What is your view of opinion polls in connection with the government of the state? Do they help you make decisions?

[Suchocka] I cannot disregard them in any case, although polls are not the most important consideration when I or my government make decisions. Even if one takes into account the possibility of a mistake being made, if only because of an ambiguously formulated question, it is quite an important instrument for me, especially regarding matters concerning areas in which there are social dangers, what society is afraid of.

[ZYCIE WARSZAWY] What about polls regarding personalities?

[Suchocka] They are interesting bits of information. Let's leave them aside....

[ZYCIE WARSZAWY] The polls show you to be exceptionally popular, and that must surely make it easier for you to also make unpopular decisions?

[Suchocka] If I were to look solely at the results of polls about myself, that might really be the case. I must, however, also look at the way that society assesses the decisions made by the government at the same time. Then there already is a significant difference in the assessments....

[ZYCIE WARSZAWY] I would like to return to the question of what Poland should be like. How do you envisage relations between the political elites and the other social groups? Do you identify more closely with a Platonic vision—an elite composed of philosophers, or do you also have a vision of a republic directed by collective wisdom? In other words, is government there to realize certain visions or also to satisfy social expectations, if only those expressed in opinion polls?

[Suchocka] There is no doubt that when the decision-making center makes certain decisions, it has certain data at its disposal, and there is undoubtedly a temptation to pursue the second course of action. The temptation is to say, we have the data and the knowledge, and society should believe us, or allow itself to be convinced that only what we are proposing is right. I would call it a temptation because one cannot succumb to it if one does not want some insurmountable wall between the elites and society to really emerge at some point. I am far from inclined to succumb to the temptation of being "completely right," but I also do not want to give in to demands that are unrealistic and populist, and to demagogic slogans even less so. Of course, in the actual situation in which we find ourselves, there is a widespread demand for full employment and comprehensive

social welfare. We have to convince society that that is not realistic. If we fail in that, then a true wall will be erected between us.

That is one of the reasons why we proposed the idea of the enterprise pact, which creates an opportunity for us to convey part of our thinking. It is taking a long time, it is drawing out the decisionmaking process—the discussion has been going on for four months—but it is, nevertheless, a path that will get society involved in making decisions.

[ZYCIE WARSZAWY] And will convince it that the government program if right. Do you not think that sometimes the government should also allow itself to be convinced of certain things?

[Suchocka] Yes, but the most important thing is that we should seek the best solutions together. After all, one cannot always completely convince others. It is difficult to convince society that, for example, pension and state sector wage reviews should be lower, when many people find themselves in exceptionally difficult circumstances. So, the question facing us is how to convince people and about what methods should be used so that our actions are not viewed as being directed against society, so that people do not think that this is an elite that knows best and wants to carry out its plan irrespective of the price, because otherwise it is not possible to act, especially not in Poland.

[ZYCIE WARSZAWY] Thank you.

Suchocka, Knazko on Relations, Free Trade Zone

WS1512133092 Warsaw INFORMACJA PRASOWA in Polish 1538 GMT 9 Dec 92

[Text] On 9 December, Prime Minister Hanna Suchocka received Milan Knazko, deputy prime minister and minister of foreign affairs of the Republic of Slovakia.

The Polish prime minister expressed her recognition of Slovak activeness within the framework of the Visegrad Group.

Prime Minister Hanna Suchocka, on behalf of the Polish side, expressed readiness to sign an agreement on a free trade zone as soon as the current year. The Slovak side also expresses such a desire, but states that the date for concluding the agreement is contingent upon the outcome of talks with the Czech Republic.

The second issue discussed at the meeting was cooperation in the border area. Both sides expressed interest in coordinating activities in this area. It was considered indispensable that new border crossings be opened. The beginning of good neighborly contacts could be, according to Prime Minister Suchocka, Slovakia's participation in the Tatras Euroregion. As an example, Suchocka mentioned cooperation between the health resorts of Krynica and Bargielova, as well as, Krosno and Svidnik.

At the conclusion of the meeting, Prime Minister Suchocka issued an invitation for a visit to Poland by Vladimir Meciar, president of the Republic of Slovakia. The invitation is to be conveyed by Milan Knazko. The prime minister expressed hope that this working meeting could still take place this month.
[Signed] Iwona Jaworska, deputy director of the Government Press Bureau.

Polish, Belarusian Defense Ministries Sign Accord

LD1512193592 Warsaw PAP in English 1831 GMT 15 Dec 92

[Text] Warsaw, Dec. 15—Defence Minister Janusz Onyszkiewicz and his Belarusian counterpart Gen. Colonel Pavel Kozlovskiy signed on Tuesday [15 December] in Warsaw a statement on establishing cooperation between the two ministries and agreed that an agreement on military cooperation would be signed next year.

The statement provides for establishing permanent working contacts, mutual training of personnel and exchange of experiences and opinions on defence. The signing of an agreement on military cooperation is scheduled to take place during Minister Onyszkiewicz's visit to the Republic of Belarus next year.

Far-reaching objectives of the defence policy of Belarus are neutrality and disposal of strategic nuclear weapons. Tactical weapons have already been removed from the territory of Belarus.

Of the former Soviet Union's countries, Latvia is the only state with which Poland has already signed an agreement on military cooperation. A similar agreement with Ukraine is currently under preparation.

Iliescu Addresses Citizens of Timisoara

AU1612093192 Bucharest Radio Romania Network in Romanian 2000 GMT 15 Dec 92

[Romanian President Ion Iliescu's message addressed to the Town of Timisoara and the citizens of Timisoara on 15 December—recorded]

[Text] Esteemed listeners, I seize this opportunity—the third anniversary of the outbreak of the dramatic events in Timisoara, which marked the beginning of the Romanian revolution—to address the town of Timisoara and the citizens of Timisoara. As the citizens of Timisoara rose against dictatorship and the totalitarian regime, a whole week of fire was to begin in Romania. Between 16 and 22 December 1989, all over the country, forces that cherished justice and freedom successively began to join the revolutionary wave that was initiated in Timisoara, thus triggering a general revolutionary process that could no longer be stopped. All the force for change, which had accumulated over decades, succeeded on 22 December 1989 in Bucharest, because the dynamics of the activity of those forces was based on the dramatic and courageous inaugural pulse of Timisoara and other important cities of our country.

Today we pay homage to the heroes and martyrs of Timisoara and we express our deepest gratitude. We pay homage to all the fighters who—encouraged by the just cause for which they had risen and firmly believing in victory—bravely defied repression, thus setting a brilliant example for national and social dignity.

The importance of this emotional moment relies not only in the fact that we are celebrating an anniversary, but also in the fact that it confirms the truth, namely that a revolution took place in Romania, and—considering its goals—that revolution could be neither embezzled nor diverted by anyone. The mass character of the upheaval against dictatorship and the profoundness of the changes that followed allow us to emphasize that truth today once more, as we did in those moments. All interpretations that view the events of those dramatic 1989 December days and nights from a different angle are strange and offending. Similarly strange and malevolent is all the fiction that invents events and situations that never happened. All those who question the national character of the revolution assault the memory of the heroes and martyrs, offend the fighters, and hurt their feelings and recollection. It is obvious that the people who now resort to such anachronistic and tendentious assessments are not those who have known the heat of those days' life-and-death struggle, but rather all kinds of nostalgic persons who—seeing that they cannot turn back the wheel of time—are trying to confuse and slow down the progress of our country on the road of democracy, of the state of law, of the economic reform and the transition toward the market economy, and of Romania's recovery and relaunching.

Three years after the Romanian revolution we can conclude that we have left some very hard times behind us. We have also crossed a very complicated and hard road of clearing up the situation. The important thing is that we have managed to maintain a relative stability and that we were able to avoid many perils. In the future we all expect to be able to concentrate more efficiently on solving the manifold problems we are facing.

Let us all hail the revolution—regardless of our individual subjective position—and let us find the way leading to a genuine national and social reconciliation that could serve as a basis for the building of today's and tomorrow's Romania, to the benefit of all its sons and daughters.

Let us hail the heroes and the martyrs of the revolution and let us be worthy of their sacrifice. Let their sacrifice give us the strength and the wisdom we need to achieve the recovery of our country, to strengthen the achievements of our revolution, and to proceed on the road of democracy to establish a modern and dynamic economy serving the interests of all the citizens of our country.

I thank you all.

Chebeleu, Croatian Envoy Discuss Ties

AU1512202292 Bucharest Radio Romania Network in Romanian 1800 GMT 15 Dec 92

[Text] Romanian-Croatian political consultations were held today at the headquarters of the Ministry of Foreign Affairs in Bucharest between State Secretary Traian Chebeleu and a delegation of the Croatian Ministry of Foreign Affairs led by Croatian Deputy Foreign Minister Ivan Simonovic. The two parties have emphasized the special importance of maintaining and developing bilateral relations in concordance with the mutual interests of the Romanian and Croatian people.

According to our reporter at the Ministry of Foreign Affairs, the two officials discussed the draft fundamental cooperation accord between Romania and Croatia and the draft consular convention. They also discussed a number of international issues and exchanged opinions concerning international developments of mutual interest, especially those in neighboring areas. Both sides agreed that the inviolability of state borders is a prerequisite for maintaining peace in the region and they emphasized the importance of observing the rights of ethnic minorities in accordance with CSCE standards. The officials highlighted the fact that the issue of human rights should not be misused for political purposes and that furthermore, people belonging to ethnic minority groups are obliged to be loyal citizens of the country in which they live. The officials discussed the crisis on the territory in the former Yugoslavia and its regional consequences, agreeing that the crisis ought to be solved politically, a process in which a major role could be played by the United Nations and particularly the Geneva Conference.

The two sides agreed that the Romanian-Croatian political dialogue ought to continue, and expressed their hope

that Croatian Foreign Minister Zdenko Skrabalo could visit Romania early next year. The sides also discussed the decision adopted by the Romanian and Croatian Governments to open embassies in their respective capitals. Croatia has already announced that Nikola (Brebenic) has been appointed ambassador to Romania. Romania plans to convert its consulate in Zagreb into an embassy.

Foreign Minister Gives Exclusive Interview

AU1512120592 Bucharest ROMANIAI MAGYAR SZO in Hungarian 11 Dec pp 1, 2

[Interview with Romanian Foreign Minister Teodor Viorel Melescanu, by Laszlo Szekely; in Bucharest, on 8 December: "Message to Budapest—Exclusive Interview With Minister of State, Foreign Minister Teodor Viorel Melescanu"]

[Text] [Szekely] First of all, on behalf of our editorial staff and myself, I would like to congratulate you on your appointment as minister of state and foreign minister. As a former diplomat myself, it was with deep satisfaction that I learned that, this time, a professional from the Foreign Ministry has been chosen for the important position of foreign minister.

Actually, my first question is connected with this. Given the fact that a well-known expert with considerable experience has been appointed foreign minister, can we expect some changes in Romania's foreign policy direction? I am aware of the fact that the strategic goals of Romanian diplomacy will not change, because they are based on a consensus. Nevertheless, can we expect some differences in emphasis? If so, what direction will this change take?

[Melescanu] I do not think that there will be any essential changes, and I find this normal in a democratic society. The Foreign Ministry apparatus is playing the role of a shock absorber by guaranteeing continuity in foreign policy when changes are taking place that can cause commotion in Romania or in other countries, changes that are part of the normal processes. I regard continuity, rather than changes, as my main task. I will try to fulfill this by trying to provide a professional character to the staff of our ministry. For the Foreign Ministry staff, a political-free attitude means that our diplomats should serve overall national interests, rather than party interests.

[Szekely] It seems to me, however, that the issue of Romania's bilateral relations with neighboring countries has come to the fore lately. Is that correct?

[Melescanu] I think that promoting our relations with neighboring countries has always been among the tasks of Romanian diplomacy. It would be absurd to endeavor to improve Romanian-Australian or Romanian-U.S. bilateral relations while neglecting relations with our neighbors. However, I can really say that, regarding our bilateral relations with neighboring countries, I will start from a position different from that of my predecessors. Compared with them, I am in a more advantageous position because I can rely on some accumulation of experience that has slowly emerged.

For example, in our relations with Ukraine, we have now overcome a very difficult period. As is well known, at the time, parliament adopted a position with which we disagreed, and the Ukrainian Parliament obviously reacted to it. We have now succeeded in starting a dialogue. As a result of the talks our delegation held in Ukraine last week, we hope to sign a series of documents, including a basic treaty, within one or two months. This is very important, and all the more so because Ukraine is our largest neighbor.

We have also entered into a new phase in our relations with Bulgaria. We have signed an agreement, and we have clarified the principles on which to build relations. Of course, we still have problems to solve, both ecological and other problems. However, it is of the utmost importance that both the Romanian and Bulgarian sides agree that we must adjust to European norms.

Our relations with Yugoslavia are a painful point. Bilateral relations are actually frozen because of the conflict there. The fact that certain incidents have also marred our bilateral relations lately give us cause for concern. This is painful to us, all the more so because we have had traditionally excellent relations with Yugoslavia and Serbia and, as a result of the tragedy there, the Romanian national minority is also suffering together with the entire population there. We are very much interested in the issue of Romanian-Yugoslav relations but, unfortunately, we see no sign of any improvement for the time being.

As for the Romanian-Hungarian relations, which you are mostly interested in, this has been characterized by a certain lack of motion, and let me add immediately that I do not think that this is primarily our fault. There is a desire on our part to do something at long last. However, we are advancing extremely slowly and with small steps, or we are marking time, and this is mainly because we have not succeeded in clarifying certain things.

[Szekely] You said that the Romanian side is not primarily to be blamed for this situation. Therefore, I suppose that you are blaming the Hungarian side.

[Melescanu] It really did not depend on the will of the Romanian side. Of course, there is no place for any accusations here. However, I think that lack of contacts—and I repeat that this is not our fault—does not contribute to the rapprochement of positions. Rigid adherence to certain obsolete habits originating from the old regime, habits that were overcome by history long ago, is definitely not promoting bilateral relations.

[Szekely] What habits do you have in mind?

[Melescanu] For example, we should secure the results of the an exchange of views and the documents to be signed prior to the meeting.

[Szekely] Do you mean Geza Jeszenszky's letter addressed to you?

[Melescanu] What letter?

[Szekely] As far as I know, a letter has been handed to Mr. Donca, the charge d'affairs at the Romanian Embassy in Budapest, a letter in which, among other things, Geza Jeszenszky points out that Romanian proposals for high-level and foreign ministerial meetings are in harmony with the intentions of the Hungarian side. Geza Jeszenszky also stresses that the Hungarian side is ready for a substantial high-level meeting leading to concrete results, a meeting that the two foreign ministries should prepare adequately so that the documents prepared by them could be signed. Geza Jeszenszky also mentions the need to continue bilateral meetings at the level of state secretaries. These meetings would deal with concrete questions that could be secured in documents, such as the agreement on protecting national minorities and expanding the network of foreign representation. This letter also expresses the desire to continue consultations on the articles of the bilateral basic treaty that are still open, in order to find a mutually acceptable formulation.

[Melescanu] What I hear from you now proves how well informed you are. If you had told me the same two hours ago, I would have answered that this whole thing is just an invention, because I have only just received the letter in question. I have hardly had any time to study it. However, at the first superficial reading, I can say that I evaluate highly not only Mr. Jeszenszky's favorable reaction and his proposal to organize the meetings, but also the way he expresses his opinions about the preparation of these meetings. However, this does not mean that I fully agree with his ideas. I cannot understand the origin of that certain amount of convulsion that hinders a simple exchange of views with all the cards on the table. I am seeking an explanation and I am trying to understand this, but to no avail.

[Szekely] No one has authorized me to explain the position of the Hungarian side, and far be it from me to try to do anything of the kind; however, I would like to point out that perhaps past or more recent bitter experiences have forced Hungarian diplomacy to be increasingly cautious and careful.

[Melescanu] Yes. There is indeed a syndrome here, which I call the Karoly Grosz-complex [reference to the failed Grosz-Ceausescu summit in Arad]. However, positive examples could also be found in the past, but I know that everyone, or at least most people in Hungary principally remember the negative experience of the summit in Arad. This syndrome led to the emergence of a vicious circle, which is difficult to break, namely that, prior to a meeting, we must agree on what we will sign, but we can only agree on how to conclude a meeting if we start negotiations. This syndrome must be broken, and all the more so because it is definitely not in harmony with European traditions, and the Hungarians are strongly sticking to the European traditions, albeit possibly to the the European traditions prevailing before the war or the revolution.

[Szekely] Are you in favor of small steps or discussing global problems regarding Romanian-Hungarian relations?

[Melescanu] It makes no essential difference to me what road we are advancing down. We should not be absolutists about either of them. Perhaps the difference between us and the Hungarian side lies in the fact that the Hungarian side makes any new small step dependent on previous successes. We equally urge small and big steps, and primarily the negotiations, to avoid wasting time. It can happen that a small step does not lead to immediate results, but this should not halt progress in other areas, because we should always try to take new steps.

[Szekely] The Romanian press often claims that the signing of the bilateral basic treaty would eliminate all the obstacles hindering the improvement of Hungarian-Romanian relations.

[Melescanu] Yes. We attribute great importance to the signing of a basic treaty, but this should not be regarded as a precondition to progress in other areas. Our position should not be interpreted in a way that we should not negotiate on anything until we sign this basic treaty. Solving any problem, no matter how secondary it might seem—like the opening of new border crossing points or the issue of fuel taxes—could contribute to the improvement of the general atmosphere, and this can only be an advantage.

[Szekely] As far as I know, almost 80 percent of the text of the basic treaty is already finalized. I do not understand why we cannot find a solution to the remaining two issues of key importance, when the Hungarian side has also repeatedly declared that they are ready to reconfirm in an adequate legal formulation acceptable to both nations that Hungary has no territorial demands on Romania. If this is done, a concrete article can guarantee the survival and secure future of the national minorities living in the two countries. Why, then, should the experts of the two foreign ministries not sit down and finalize the remaining two articles of the basic treaty?

[Melescanu] This question should definitely be asked in Budapest.

[Szekely] Why? Do you think that the ball is now in the courst of the Hungarian Foreign Ministry?

[Melescanu] My answer to this is a firm yes. For some six months, we have been asking our Hungarian partners to come up with a date when we can sit down to discuss this matter. I think we have turned to them eight times. Perhaps, through your newspaper's intervention, we will

receive an answer. The press department of the Romanian Foreign Ministry reads your newspaper with attention and, therefore, we are expecting an answer through this newspaper. We are ready either to travel to Budapest or to receive our partners in Bucharest and, if they fulfill the promise you mentioned, we will also be ready to show maximum understanding to the national minority issues discussed by the Hungarian side.

[Szekely] I think this sounds like some kind of message to the Hungarian Foreign Ministry.

[Melescanu] Through your newspaper, we would like to send a message to Budapest, namely to give up the old habits and syndromes and start negotiations, because time is pressing. My voice will perhaps be heard in Budapest. Openness will characterize my work style.

[Szekely] Before thanking you for this interview, I would like to clarify yet another problem. Does the composition of the Romanian Foreign Ministry reflect Romania's composition of national minorities?

[Melescanu] Since 1989, we have not recorded the national minority affiliations of our staff. However, I can say that there are Gypsies and Jews among our high-ranking diplomats. We do not pay particular attention to who regards himself as Hungarian. We have two basic requirements from anyone whom we intend to employ here: professional competence and loyalty to our country; nothing else has any importance.

[Szekely] If a person with an obvious Hungarian name fulfills these two requirements, can he work as a diplomat without having to change his name into a Romanian name?

[Melescanu] Of course.

Melescanu Comments on Moldova at CSCE Meeting

AU1512180692 Bucharest ROMPRES in English 1556 GMT 15 Dec 92

[Text] Bucharest, ROMPRES 15/12/1992—An end to hostilities, as agreed upon between Moldova and Russia, undoubtedly is a positive step but it only makes the premise of a global and durable solution in eastern Moldova, said Teodor Melescanu, minister of state and minister of foreign affairs of Romania, during the proceedings of the CSCE forum in Stockholm. It is obvious that the origin of the conflict is not ethnic but political and ideological, the Romanian minister said. Such aggravating factors as the further consolidation, with external assistance, of the separatists in the Dniester Republic and the active presence of the 14th Army are major obstacles to a peaceful solution. As long as there are foreign troops in Moldova a durable solution to the crisis is not possible.

Insisting on the need for the CSCE to play a major role in efforts to settle the conflict, Teodor Melescanu expressed support for the mission of the personal representative of the CSCE president, Adam Rothfeld, as well as the regret that he could not advance a final report. The speaker also pointed out that the four-party mechanism including Moldova, Russia, Romania, and Ukraine could and had to contribute significantly to the attainment of a peaceful solution under CSCE aegis.

Referring to the crisis in former Yugoslavia, the Romanian foreign minister considered that a peaceful solution should be achieved by political means alone, as a result of the negotiations and the accord between the sides directly concerned. The Romanian minister underlined the need for the CSCE to support the efforts made within other forums, such as the UN Security Council and the London conference on Yugoslavia, and the efforts of the copresidents Lord Owen and Cyrus Vance. In our opinion, Teodor Melescanu said, the ideas and proposals concerning a military intervention from the outside are not a solution. They could further escalate fighting and the conflict, possibly involving other countries as well.

The full observance of human rights for all, including persons belonging to various minorities, should be broadly supported and secured through diverse means, such as the use of CSCE mechanisms, through respect for existing borders.

The speaker stressed the need for specific and palpable measures to support neighboring countries in applying the embargo [imposed on FRY], on the Danube River included, and assist them in the damage caused to them.

The Romanian minister of foreign affairs renewed an invitation to all the countries concerned to send teams of experts to support the control and application of sanctions.

At the end of his address, Teodor Melescanu said: We should like to underscore the special responsibility of all neighboring countries in abstaining from any action that might lead to the continuation and deterioration of the conflict and of interethnic tension, as well as their duty to develop with the newly-independent states from the former Yugoslavia relations according to the principle of international law, existing frontiers being observed.

Funar Seen as Damaging Country's Interests

AU1512131592 Bucharest DREPTATEA in Romanian 9 Dec 92 p 2

[Article by H. Onoric: "Had There Not Been a Person Called Funar He Would Have Been Invented"]

[Text] For many people, the existence of a person called Mr. Funar and his actions are a real manna from heaven. Funar is the Mayor of Cluj, president of the PUNR [Romanian National Unity Party], and was candidate for the position of Romanian president. So he is quite a personality. It is true that he is only a medium rank personality, but nevertheless suitable enough to be used for greater things. He is also just the person who will not

cause a great fuss when one has to get rid of him. In other words, he is precisely what those in power need. Those who are at the top know very well that this winter will see many people at the end of their ropes and it will affect their stomachs. And when that happens, your average Romanian turns from a lamb into a tiger. Therefore, a minor nationalist diversion—reminiscent of the events in March in Tirgu Mures—can make some people forget their troubles and turn their fury in a completely different direction. And this is when a person called Funar comes into the picture and shows them the direction. As a matter of fact, the major favor done for those in power is the difficult position in which the Democratic Convention of Romania [CDR] is placed in connection with issues that have a nationalistic flavor. After an artificial drumroll is performed on the subject of Romanianism, the CDR, whose ally is the UDMR [Democratic Union of Hungarians in Romania] is called upon to take a stand. This stand, according to today's opinion of our society, cannot be Romanian and European-democratic at the same time. This is also the stand taken by Mr. Funar and Mr. Vadim's extreme nationalist organizations, and it is always followed at a dynamic pace by Mr. Iliescu, the initiator of this artificial problem and the one who benefits from it. The passivity displayed by the president, who could have intervened to restrain the nationalist zeal of the Cluj-Napoca mayor, proves that what we say is true. Further proof is the indifference shown by Prefect Zank and through him by the prime minister and the FDSN [Democratic National Salvation Front], who could have contested Funar's absurd decisions. But none of them interfered.

The actions of the PUNR president serve certain purposes abroad better than one can imagine, both in the West and in the East, without partiality. To the east, in Rutskoy's empire, some are rubbing their hands, pleased with the job carried out by the Cluj boy. Romania, being busy with the Hungarian scarecrow, will lose sight of Bessarabia and the 14th Army at precisely the time when the former has to vote and the second has to leave the area. They have to choose between the ruble and the leu, that is, between the mother country or association with the CSI [as published]. Not even Sorge [a German spy in the service of the Soviet Union] could have done a better job! To the west, Hungary is also preparing decorations for Mr. Funar. Who could have discredited in an uglier and more convincing way Romania than a Romanian? Who could have been the irresponsible person who spoiled in one move all that we, a European and civilized nation, have been trying to build for years on end? Who could have been the madman who, after the Americans, through Mr. Lantos, told him what he had to respect in order to gain their support, then does precisely what would hurt them most, as if to spite them? In this case, the insanity comes into play not so much to the Hungarians as to Moscow, which will be happiest when our country reaches a stage where it has not a single friend.

That is how one single person, who calls himself Romanian can act more efficiently against his own country's interests than hundreds of declared enemies. That is why, had he not been born in Banat [South Western part of Transylvania], he would have been invented for sure in Bucharest, in Moscow, or in Budapest. Or maybe in all three of these places at the same time, to make him more effective... precisely the way he is now.

Actions Directed From Moscow?

AU1512181192 Bucharest COTIDIANUL in Romanian 9 Dec 92 p 2

[Article by Emanuel Badescu: "The Funar Case Reflects a Moscow Offensive"]

[Text] The abuses of the Cluj Mayor are so numerous and so surprising that the rare moments of respite that he allows himself produce panic. What else is he going to invent? The unhappy, sensible Romanian who is a patriot within the limits of common sense is asking himself. Generally, the response comes as a shock and generally it comes with a great deal of colorful insinuations.

This consistency in neutralizing all tendencies of re-Westernizing the post-Ceausescu Romania can and should make us think: Who is interested in labeling us "barbarians and uncontrollable?" Boris Yeltsin's visit to Budapest brutally touches a sore point. Those who contest the Trianon Treaty and those who violate all treaties mutually cried on each other's shoulder when they saw clear-cut proof of persecution of their ethnic minority. It is true, the Hungarian side had no other proof except for the "Funar file"; however, through a simple semantic alteration, the whole Romanian nation was incriminated. This abject procedure led to a bilateral accord regarding the protection of the Hungarian and Russian minorities, that is, it led to a pretext. And, for that matter, a solid pretext, in the spirit of the "Human Rights Charter," meant to gain international recognition for a possible Russian—military and diplomatic—arbitration. In order to make it clearer, I recall a still fresh "test," which was used as an attempt to solve the Romanian-communist "conflict" in Bessarabia. How were the communist "minorities" of Russian nationality calmed down? From the impartial arbitration of the 14th Army, one can see the declarations made by Vice President Aleksandr Rutskoy and of General Lebed: the reestablishment of Transdiestria! Any commentary to it is superfluous.

"The Funar Case," absurdly presented as a symbol of Romanian nationalism, must be correlated—no matter how amazing it seems at first sight—with Moscow's new offensive. And here is the reason why: Russia's "change of color" imposed radical tactical changes in order to coordinate her tireless imperialism, because so far only its legal facet has been evident. The camouflage is based on the logical nonacceptance of the contradiction in such expressions as "pacifist imperialism" or "national-communism" and others. The scheme is simple: somewhere, within the limits of the former communist camp,

an interethic conflict breaks out, provoked by the "nationalist-communists" (!), that is, by people who are devoted to Moscow. At one point, the intensity of this conflict will call for the intervention of a "pacifying" party, which should mediate in the dispute. Sooner or later, this force will be Russia! No doubt, each mediation will end up with the appearance of a Transdniestria-type of "bridgehead." In this way, the paradoxical Russian pacifist imperialism is being built on the foundation of the previous, ideological one. This is the Resurrection after the Great Red Work has failed. Slowly, but surely, White Russia is awakening....

Well, Mayor Gheorghe Funar's numerous and gratuitous abuses are in line with the new tactics adopted by the Kremlin. Whether knowingly or not, he is building the premises, namely the outbreak of interethnic conflict, for "international" mediation, or more precisely for Russian dictatorship. He also benefits from an interesting shield, that is, his position as PUNR president. The masque of nationalism must be perfect. The recent profanation of the national holiday is an additional argument in support of this theory. I am just asking myself, who advised Mr. Funar to commit this act, since he is neither a Cluj-born citizen not a historian, and thus he could not have known about the existence of the respective plate with N. Iorga's text on it. [mounted on the statue of Matthias Corvinus].

Just how unfair the respective text is to the memory of Matthias Corvinus anybody can find out just by leafing through Romania's history. Only in this way can one evaluate the forcefulness of the provocation and its hidden meaning. Who is keeping Mr. Gheorghe Funar in his "office?"

Parliament Passes Bill on Amendment to State Budget

AU1512210992 Bucharest ROMPRES in English 1937 GMT 15 Dec 92

[Text] Bucharest, ROMPRES 15/12/1992—Romania's Parliament held a joint session Tuesday, 15 December, to endorse, which it did through open vote, the law rectifying the state budget for 1992.

In the chapter referring to revenues, the law stipulates an additional amount of 27.9 billion lei, while in the chapter about expenditure provides for a 173.6 billion lei increase. So the budgetary deficit stands at 145.7 billion lei. Worth mentioning is that the current spending covers 171.6 billion lei in addition of which 21 billion are meant for the personnel, 14.1 billion for materials, 136.5 billion for subsidies and transfers, 30.2 billion lei for social and cultural activities, of which 16.8 billion lei for education, 5.5 billion lei for health, 0.6 billion lei for art and culture, 0.4 billion lei for social assistance, 0.9 billion lei for child benefits and other allowances, and 5.4 billion lei for pensioners and other reliefs for military and other persons.

As for the funds used for the country's defense, they rise with another 5.6 billion lei, those for public order with 2.3 billion lei, while the ones for public authorities are added 3.4 billion lei. The state budget spending on the economy goes up by another 74.5 billion lei. The transfers from the state budget to the local budgets grow by 51.5 billion lei. The revenues and expenditure of the special fund for health protection are added another 1.1 billion lei. The incomes and expenses of the special fund for research and development are supplemented by 4.9 billion lei.

Unemployment Figure Rising by 1,000 Daily

AU1612142492 Bucharest ROMPRES in English 1122 GMT 16 Dec 92

[Text] Bucharest, ROMPRES 16/12/1992—"As many as 1,013,425 people were registered on 14 December 1992 on the unemployment rolls of the Labor and Unemployment Department of Romania." This is how TINERETUL LIBER begins its information items on the evolution of labor in Romania. Of the total number of jobless 601,479 get unemployment benefits, 328,150 are past the period during which unemployment benefits are paid, and of the 223,150 applications for subsistence allowance only 190,932 were granted. As far as various professional groups are concerned, the unemployed getting unemployment benefits according to the law are as follows: 525,425 are blue-collars, 64,723 are high-school leavers, and 11,331 are people with academic training. As many as 365,641 are women. The daily concludes that 1,000 are losing their jobs in Romania daily.

Seeing the issue from the angle of professional reintegration of the jobless, the magazine TRIBUNA ECONOMICA comes out with an interview by Constantin Alecu, secretary of state with the Ministry of Labor and Social Protection who says: "In point of organization and finance, the programs of reskilling are ensured and in operation, but the ministry is facing difficulties generated by the inexact knowledge of the requirements of labor by domains and professions, which explains the small number—50,000—of the people already skilled or undergoing skilling."

The state secretary said there are skilling centers for the unemployed in nine countries, that the foreign offer too, is taken into consideration—jobs are offered in Germany, Israel, Greece, France, Venezuela, and Sweden—but that is done in observance of the terms of social security and of protection of the respective workers.

Hungarian Defense Official on Romanian Relations

AU1512133492 Bucharest ROMPRES in English 1143 GMT 15 Dec 92

[Text] Bucharest, ROMPRES 15/12/1992—The Hungarian Defense Secretary of State Erno Raffay, while on a documentation visit in Romania for the development of the relations between the two armies and ministries,

told daily ROMANIA LIBERA: "We started our talks in Bucharest, and continued them in Cluj-Napoca, where we met the commander of the Fourth Romanian Army, Paul Cheler, and then in Tirgu Mures," and added that the purpose of their delegation's visit was "to know each other better, like two peoples that have been living next to one another for a millennium."

"We see it as very important to have no frictions between the two countries armies, even if there is still talk about political differences and ethnic controversies...I wish the military relations between Romania and Hungary surpassed even the political ones. Thank goodness, we have two ministers, Niculae Spiroiu and Lajos Fur, who think alike and act consequently," the Hungarian official said.

Erno Raffay showed that the Hungarian Army did not command enough funding for its combat technical endowment: "We are not in Romania's fortunate situation of manufacturing 80 per cent and, in some cases, even 100 per cent of the country's armament," and specified that aircrafts were Hungary's greatest problem. "We have 12 MiG-21 planes, a few MiG-23's and no MiG-29's, while Romania does. Even the ones we have are in an advanced state of wear. Hungary has all in all 80 airfighters, while Romania has a few hundred of them," the Hungarian defense secretary of state said.

Increasing Neo-Communist Revival Feared

AU1612103892 Bucharest ADEVARUL in Romanian 14 Dec 92 p 2

[Unattributed article: "The Non-Communists Attack the Neo-Communists"]

[Text] The Conference of the National Union of those who were not members of the PCR [Romanian Communist Party] was held on 13 December in Bucharest. The main issue discussed in the meeting, which took place in a tense atmosphere, was "the perils facing the country as a result of the strengthening of neocommunist structures." Mr. Onoriu Andronache, the president of the group, examined the current situation in Romania and defined it as "a period of increasing nationwide social and political unrest," which was due to the fact that "activists and those feeling nostalgia for the former communist system are desperately clinging to power—at any price and all levels—in order to prolong their existence and avoid being prosecuted for the economic, social, and moral catastrophe brought about by the system which was imposed on us from Moscow."

UN Says Aid Convoys Stoned, Members Threatened

AU1512144792 Paris AFP in English 1428 GMT 15 Dec 92

[Excerpt] Geneva, Dec 15 (AFP)—Aid convoys to war-torn Bosnia-Hercegovina have been attacked by stone-throwing mobs and relief teams threatened with execution by Serbian gunmen, the UNHCR [Office of the UN High Commissioner for Refugees] said here Tuesday [15 December].

Silvana Foa, spokeswoman for the United Nations High Commissioner for Refugees, said two convoys had been attacked in a Serbian-dominated part of Bosnia at the weekend.

Staff were becoming increasingly worried by the lack of bullet-proof cars and armoured vehicles to protect them, she added.

Serbian militiamen stopped a Belgrade-Sarajevo convoy Saturday at Han Pijesak, accused aid workers of transporting weapons to Bosnia and threatened to kill them, said Foa.

"On Saturday one 10-truck convoy with 110 tonnes (of supplies) for Sarajevo never got there," Foa explained. "It was repeatedly stopped, our people were abused and threatened."

Another convoy returning to Belgrade from Sarajevo was stopped Sunday by dozens of hostile people, first at Sokolac then at Vlasenica.

"They threw stones and smashed the windshields," said Foa. "Our people are beginning to get nervous," she added, saying that last week three shooting incidents at aid trucks were reported. [passage omitted]

Situation in Sarajevo 'Desperate' as Truce Fails

AU1512144692 Paris AFP in English 1418 GMT 15 Dec 92

[Text] Sarajevo, Dec 15 (AFP)—Truce talks aimed at demilitarizing Sarajevo risked falling apart Tuesday [15 December] while living conditions in the besieged capital were desperate, relieved only by surprisingly mild December weather.

Heavy fighting that broke out overnight continued into Tuesday afternoon near central Sarajevo in the Grbavica district, where besieging Serbs and Bosnian-Hercegovina troops face off over the Miljacka River that cuts through Sarajevo. There was intense mortar and machine-gun fire near the Holiday Inn, where foreign journalists stay.

Serb separatists and the defending Slav Moslems and Croats here have failed to make progress on setting up corridors for free passage in and out of the Bosnia-Hercegovina capital, despite agreeing on this and a ceasefire Sunday at a U.N.-mediated meeting, U.N. officials said.

The Bosnians are apparently now putting withdrawal of artillery from the range of the capital as a precondition to any further progress on a ceasefire or opening up corridors.

"There is still considerable difference in the positions of the parties in order to implement the agreement on the corridor," U.N. spokesman Juan Villalon said Tuesday.

Colonel Stjepan Siber, the Bosnian representative to the talks, said Monday that heavy artillery must first be removed from around the airport, which is guarded by U.N. troops and the key staging area for the U.N. humanitarian aid effort in Bosnia.

"Demilitarization of Sarajevo can not be achieved and is not going to be achieved unless this artillery is removed a radius 30 kilometres (18 miles) from the airport," Siber said.

A total of 19 U.N.-brokered ceasefires in Bosnia have failed, including the current one which dates from November 12.

The airport has been forced to close several times since September due to heavy fighting in the area. U.N. humanitarian flights are not expected to resume before Saturday, at the earliest, a spokesman at U.N. headquarters in Kiseljak, 30 kilometres (18 miles) northwest of Sarajevo, told AFP Tuesday.

The situation in Sarajevo was critical. Three transformers which provide power to the Bacevo pumping station for the capital were destroyed in heavy shelling Monday [14 December], Villalon said. Almost the whole city is without water. Repairs to Bacevo will take three weeks, Villalon said.

Hospitals in Sarajevo were Monday briefly without fuel but the United Nations Protection Force (UNPROFOR) made an emergency delivery of six tons of fuel, U.N. spokesmen said.

The head of the relief effort, Larry Hollingworth of the U.N. High Commissioner for Refugees (UNHCR), said the UNHCR had sent 66,000 litres into Sarajevo over the past 10 days.

But he said: "Fuel is a sometime thing. When I get it in, I get it out" to hospitals.

The other priority for fuel is the bakery here, which has not been able to meet minimum bread needs of the city for the past week.

Hollingworth said of the overall situation: "It doesn't seem to get better because conditions get worse."

The main change will be when minus zero winter temperatures come, probably by the end of December. The weather has been surprisingly mild, over zero degrees centigrade, so far this month.

Sarajevo ran out last Friday of the chlorine gas needed to purify its water. The problem, said U.N. officials, is to

bring the gas through the war zone surrounding Sarajevo. Sarajevo residents already boil water as a routine safety measure.

Visiting British Liberal Democrat leader Paddy Ashdown said here Tuesday that Sarajevo was a test for the international rule of law and must be saved.

"We have to make it clear that we will not allow Sarajevo to fall to the hands of the Serbians in a final act of aggression," the former British marine said.

Muslims, Croats Suspicious of Sarajevo Talks

LD1512185692 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 15 Dec 92

[Report by Zeljko Ruzicic from Sarajevo]

[Text] War negotiations are the current reality of war in Sarajevo. Battles have been waged in the wider area of Ilidza, at the rear of the suburb of Otes, and in the areas of Sokolovici, Butmir and Hrasnica. A very active battleground is the region of Vogosca, where formations of the Army of Bosnia-Hercegovina and the Croatian Defense Council took the initiative following a great military victory on Zuc hill and a victory today on Golo Brdo hill near Vogosca. The Command of the Sarajevo Corps of the Bosnia-Hercegovina Army has not disclosed any details regarding this battlefield, but even this silence can be meaningful in the light of the fact that the command broke the news of the victory for defenders on Zuc hill and the taking of the immensely important strategic point No. 850 in that area after a 24-hour delay.

The other side of the war situation here are the negotiations. Colonel Stjepan Siber, the deputy commander of the main headquarters of the Bosnia-Hercegovina armed forces, described negotiations that have been held over the past three days as "the aggressors' swindle"—they have lodged sharp protests with the UN Protection Force [UNPROFOR] Command, under whose auspices military groups of the Croatian Defense Council and the Bosnia-Hercegovina Army have been holding negotiations with the Serb aggressor soldiers. Col. Siber said that the aggressors a priori refused to withdraw their heavy artillery weapons within a radius of 30 km of the center of Sarajevo airport.

Such a refusal, after the aggressor had accepted negotiations on the demilitarization of Sarajevo a day before, agreeing to reintroduce a previously signed 18th cease-fire agreement is a chetnik maneuver, according to Col. Siber, aimed at creating an impression for the European public that certain moves toward the improvement of the overall situation in Sarajevo have been made ahead of the Geneva session tomorrow, and that the aggressor allegedly has good will to negotiate.

Officials of the Bosnia-Hercegovina Army describe the negotiations on the opening of three corridors for free passage of civilians on the Sarajevo battlefield as a mere farce, which should create an impression in Geneva that UNPROFOR has finally achieved something here and that chetniks have yielded, allegedly wishing to do something good for the people and the town which they have been holding under complete siege and have been systematically destroying for months.

Civilian corridors cannot be opened until heavy weapons are withdrawn from approaches to Sarajevo and from the city quarters. The defenders accepted the withdrawal, but the chetniks have refused to do so.

Government, UN Draft Plans for Refugees' Return

LD1612114592 Zagreb Radio Croatia Network in Serbo-Croatian 0900 GMT 16 Dec 92

[Report by correspondent Zeljko Ruzicic from Sarajevo]

[Text] At the crack of dawn, Sarajevo was covered with thick winter fog as the temperature dropped to minus 3 degrees. The night was punctured by projectiles with which the chetniks attacked the districts of [name indistinct] and Buca Potok. There is still some activity on the battlefield in the Vogosca area where the battles are continuing following yesterday's victory by units of the Bosnia-Hercegovina Army and the Croatian Defense Council on the Golo Brdo Hill in the immediate vicinity of Vogosca.

It was announced in Sarajevo this morning that an agreement has been reached between representatives of the Bosnia-Hercegovina Government and specialized agencies of the United Nations on the organized return of 15-20,000 Sarajevo citizens who are staying abroad. The agreement was made in the context of overall efforts to create the conditions for Sarajevo's dispersed citizens to return home. The crucial precondition for the organized return of the Sarajevo refugees is to reach an agreement on civilian corridors so that civilians can move within the zone of the Sarajevo theater of war. The agreement on these corridors has been in the making for a while as there are opposing views between the parties involved.

At the same time it has been announced that following a six-month breakdown in all the telephone links to west Sarajevo will finally be restored. Bosnia-Hercegovina's Post and Telecom Department says that an agreement has been reached whereby 320 direct automatic phone lines will be installed from Sarajevo to Split and from there to other countries in the west. This breakthrough in the total blockade of communications, as Bosnia-Hercegovina's Post and Telecom Department officially says, will take place the moment Sarajevo's regular power supplies have been restored. There has been no electricity in this city for the past 11 days.

Karadzic Says Aircraft Destruction 'Act of War'

LD1512212992 London PRESS ASSOCIATION in English 2114 GMT 15 Dec 92

[Text] Tonight, hardline Bosnian Serb leader Radovan Karadzic branded the no-fly enforcement calls as "an

excuse to embroil Western powers in military action in Bosnia". Western leaders should think hard before embarking on such action, he said, warning that Bosnian Serbs were reviewing their situation urgently with the view of protecting their position "in the event of military intervention by any outside force".

In a news statement faxed to the PRESS ASSOCIATION, he said: "In the event of an attack in support of one side in this civil war, our parliament will meet in emergency session where a decision will probably be taken to ask all UN ground troops to leave Bosnia, all humanitarian convoys to cease, all military vehicles to return to their bases within six hours of any allied attack."

He added: "Such an attack would end the impartial role of UN forces on the ground. It is likely that the Bosnian Serb civilian population and parliament would consider the destruction of our aircraft as an act of war."

More Serbian Camp Inmates Set To Be Released

LD1512201692 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 15 Dec 92

[Text] We have just received a HINA report that about 1,000 inmates in the Serbian camp of Manjaca will be released tomorrow. The International Committee of the Red Cross [ICRC] will organize their transfer, via Novska, to Karlovac, where they will be cared for by the Office of the UN High Commissioner for Refugees transit center, the Zagreb ICRC office reports. The inmates have been registered and visited on a regular basis by representatives of this organization in Banja Luka since mid-July. The inmates should set off from the Manjaca Camp at 1100 on board 20 buses. They are expected to reach the UN checkpoint in Novska at about 1500 and arrive in Karlovac at 1700.

Croat Leader Blames Authorities for Ethnic Strife

LD1512202992 Belgrade TANJUG in English 1519 GMT 15 Dec 92

[Text] Doboj, Dec 15 (TANJUG)—Jadranko Prlic, a Croat leader in Bosnia-Hercegovina, on Tuesday [15 December] charged the authorities of this former Yugoslav republic of causing the eight-month ethnic and civil war through their incompetence.

In an interview to Channel S S 3 from Tuzla, northeast Bosnia, Prlic said that the Bosnian authorities are no longer functioning.

Prlic is one of the leaders of the Croatian Defence Council, the armed formation of the Bosnia Croats (17 percent of the population) who have been fighting, in coalition with the local Moslems (44 percent), against the Bosnia S/Serbs [as received] (31 percent).

The ethnic war in Bosnia is the result of differences in views between Bosnia's three peoples on the future constitutional organization of the republic which received international recognition this Spring at the demand of the Croat-Moslem coalition and regardless of S/Serb disagreement, all of which was contrary to the republican constitution.

In response to the secession, the S/Serbs in April proclaimed the S/Serb Republic in parts of Bosnia under their control. A little later, the Croats proclaimed their own state community: Herceg-Bosnia, fearing they would be reduced to the status of a national minority in the new republic.

Prlic believes that "a return to the state of affairs before the war" is unrealistic, and described as impossible the creation of Bosnia as a unitary civic state.

According to him, the independence of Herceg-Bosnia within Bosnia is the sole option for the Croats and the only solution "which can secure stability and the existence of Bosnia-Hercegovina as a state."

Commentator Blames UN for 'Impotence' in Crisis

AU1612091592 Zagreb NOVI VJESNIK in Serbo-Croatian 11 Dec 92 p 2

[Commentary by Stjepo Martinovic: "Cops and Robbers"]

[Text] There is no further need to ponder whether or not the UN intervention in Somalia is a technical rehearsal for a similar operation in Bosnia-Hercegovina! For in view of the American marines' skill, their psychological stability, and their general training as evinced by their landing on African sand—and Karadzic's bandits are hardly a better army than those who ravage the relief convoys in Somalia—it is not hard to see that the panic which these marines' commanders have of a Bosnia-Hercegovina expedition is fully justified. It is all the more convincing if we consider that the UN troops, which would be actually doing something in Bosnia-Hercegovina—and not just fruitlessly "unproforing" [reference ot the UN Protection Force, UNPROFOR] around for the benefit of Serbian barbarians!—would encounter a lot more than some television busybodies and a bunch of astonished black marketeers (who will never get paid for being extras in this film), but the Bosnian winter, criminals unprecedented even in the dark history of the Balkans, and the probability that the only thing they might achieve would be the briefest media fame. Thus, if we look at things through this somewhat perverse magnifying glass, the first act of this Somali "dress rehearsal" has confirmed beyond any doubt the thesis that there will not be any military intervention in Bosnia-Hercegovina, because nobody is crazy enough to send such notoriously untrained boys into an adventure considerably different from the picnics of the Grenada or Somalia sort! True, this assessment could be set against the "Desert Storm" experience—but, if the great powers had ever intended to stop the Serbian aggression on the homeland, the population, and the material and spiritual heritage of the Croats and

Muslims, it would not have waited for the tragic dismemberment of Croatia or the death of Bosnia-Hercegovina. It would not have let Vukovar happen, or kept information on the concentration camps secret, nor would it have waited for the cry of condemnation to be raised even by the feminists of the Virgin Islands before becoming indignant about the mass rape of Muslim and Croatian women. The only conclusion is that that part of the international public which is (rightfully) disgusted by the feebleness of Europe's global diplomacy has good reason to feel frustrated, after the Somali "intervention," by the impotence of the "world policeman" which is being created under the auspices of the United Nations. If only the directors of the performance in the Horn of Africa had had sufficient moral integrity to have allowed the Croats and the Muslims the weapons to defend themselves, instead of giving the impression that everything they do—including making their own cops look ridiculous as they are unleashed upon the Somali robbers—they do for the furthering of the Serbian nationalist and fascist project.

United Nations Accused of 'Brutal Insensitivity'

AU1612114092 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1400 GMT 15 Dec 92

[Commentary by Zvonimir Bilic]

[Text] The things we witness daily here in Bosnia-Hercegovina concerning the United Nations represent brutal insensitivity, an almost arrogant ruthlessness, in other words, a hitherto unseen cynicism.

It is no big mystery. It all goes along the lines of the old rule of legal practice (?et num patere, patere est), that is, to leave evil unpunished is an evil act itself. They have strung one resolution after another without making sure that the first thing about the first resolution is implemented. The bureaucratic soldiers of the United Nations are treating the cities of Sarajevo, Gorazde, [words indistinct]. So they mention the priority of their humanitarian mission while hunger is knocking on the door here. Large amounts of money are spent on transportation, and at the end we receive crumbs. Where has all of it gone? Winter is here; there is no fuel, water, electricity. Roads have been cut off. Neighbors cannot even telephone each other, let alone send a letter to a loved one. Hospitals are without medicine and [words indistinct]. The blue helmets serve the Yugoslav Army and the chetnik hordes as a human shield. Unshaven men with stinking fur hats search their vehicles as if they were the last village paupers, and the blue helmets are supposed to be the elite of the world order.

When an attacked person defends his life and his home, which is his duty according to all earthly rules, the observers talk of the warring sides. That, from the point of view of international law, is called a scandal. It is as if we watched a wolf slaughtering a lamb and said: They are equal; they are both mobile. Is it a question of a ruthless bureaucracy in the United Nations? Is it a question of an organized lobby, people who are inclined toward the aggressor? It would appear to be both.

The secretary general of the United Nations, Mr. Butrus-Ghali, does not seem to be itching with curiosity to see the world war zones. It would not occur to him to visit Bosnia-Hercegovina. UNPROFOR [UN Protection Force] Commander Satish Nambiar is not dropping by Sarajevo, even in passing. The military operation for humanitarian needs is in Belgrade, where the aggressor is. General Morillon [words indistinct] is similar to that as described by reporters disappointed that the Sarelians are not dropping dead from starvation en masse in the streets, and are generally looking far too healthy, are even capable of defending themselves. What is the question we should be asking ourselves? Will Colonel Siber [one of the commanders of the Bosnia-Hercegovina Army] finally speak out? How far will his voice be heard? The young, and they say very talented, Secirbey does not do enough as our ambassador in the United Nations. The way things stand, he could be the most [word indistinct] temporary citizen of New York. Just as the Bosnia-Hercegovina foreign minister could be the busiest man in the world, but what is the problem with our Ministry of Foreign Affairs? What is the level of our diplomacy? Do we have enough of it? Do we have it at all?

The Bosnia-Hercegovina Presidency and Government, Izetbegovic and Akmadzic have to show a relentless decisiveness when it comes to the political situation we are in. The battle for the state of Bosnia-Hercegovina, for the survival of people is entering its crucial stage. The chetnik manipulations are turning into downright stupidity, as everybody has finally understood what is going on. We have to insist on a prompt change in the internal organization of the United Nations and its attitude toward us.

Serb Army Calls for Withdrawal of Croat Forces

LD1512230992 Belgrade TANJUG Domestic Service in Serbo-Croatian 2110 GMT 15 Dec 92

[Text] Bileca, 15 Dec (TANJUG)—Representatives of the Command of the Hercegovina Corps of the Army of the Serb Republic has asked the UN Protection Force [UNPROFOR] military observers to ensure that, "in accordance with UN Security Council Resolution 787, the Army of the Republic of Croatia urgently withdraw from the territory of former Bosnia-Hercegovina."

Colonel Radovan Grubac, commander of the Hercegovina Corps, asked Colonel Jan Benda, commander of three UNPROFOR teams, and Colonel Francisco Javier Zorzo, deputy commander of the Spanish Malaga Batallion, that peace forces position themselves on the demarcation line between the warring sides.

A demand was made that the demarcation line "from Konjic to Metkovic go along the Neretva River and

continue up to the Montenegrin border along the administrative border between Croatia and former Bosnia-Hercegovina."

UN military representatives also were informed that "12 out of the 24 km of former Bosnia-Hercegovina's sea coast belongs to the Serb Republic." Their mediation is called for so that the demarcation of the sea coast can be carried out as soon as possible.

Article Views Arrest of Jovan Divjak

AU1612075592 Belgrade POLITIKA in Serbo-Croatian 5 Dec 92 p 8

[Article by Mirko Caric: "Who Is Jovan Divjak?"]

[Text] The arrest of Colonel Jovan Divjak, deputy commander of the Territorial Defense of Bosnia-Hercegovina, which took place near Konjic, again raised many questions. He is accused of "collaboration with the aggressor" and of illegal arms dealing. Who is actually this ex-colonel of the Yugoslav Army, and why did he join Alija's [President Izetbegovic's] army in Bosnia against his own people? These dilemmas have been a subject for speculation since March, and most probably will not be resolved very soon. The author of this article spent part of his six-day captivity in Jovan Divjak's office at the Presidency of Bosnia-Hercegovina as a prisoner of the "green berets." He literally shared food and a bed with Jovan Divjak, and in such circumstances quite an unusual friendship was born. In an idle conversation Divjak told me on one occasion, without any special reason, that he was above all a professional soldier and that he had decided to offer his military services to the newly born state of Bosnia-Hercegovina. He and his sons Vladimir and Zelimir had been living there for 26 years and simply considered themselves Sarelians, that is to say, a specific local nationality. And now the question is being raised whether Colonel Divjak could have chosen between the warring factions in Bosnia-Hercegovina, for his file had already been handed to the Military Prosecutor's Office before this merciless war started. In fact, he was accused of fraud, although, as far as this author knows, this accusation was never proved. It is interesting, though, that both the Muslim and the Serb charges gave the resale of weapons and munitions as the reason. In both cases, there were other motives involved in the "game" as well. The senior officers in the former Yugoslav People's Army had become aware of the fact that after ten years of serving as a colonel, Jovan Divjak should have been promoted general, although the top military circles knew the poor odds for that promotion because of competitive professional relations. The fact that Jovan Divjak had graduated from the Military Academy as the best in his class, which, according to some unwritten rule, meant a relatively fast promotion to general, was disregarded. Second, from the very beginning, it had become quite clear that the Muslim leadership would try to get rid of the "last Serb," for it was quite senseless to maintain any longer that the authorities of Bosnia-Hercegovina consisted of representatives of all three equal and constituent peoples. In fact, with the war continuing, the frustration among the Muslims had reached such a degree, especially regarding the Orthodox, that it was just a question of when the existence of one Serb among the "green berets" could not be justified any longer. Not even if he was an extremely skillful soldier. Colonel Jovan Divjak was born in Belgrade, and he attended elementary school in Bela Crkva and in Bosanska Krupa. He graduated from high school in Zrenjanin. Colonel Divjak successfully attended the Military Academy of the Yugoslav People's Army. After that, he continued his education at the Higher Military Academy in Belgrade, where he graduated as the best in his class. After several years, he graduated from War School [Ratna skola], which was the highest level of military education in former Yugoslavia. Ten years ago, he was promoted to the rank of colonel. He served in Sarajevo and Mostar. In both towns, he was a commander of the Territorial Defense.

Witnesses Recall Life in Sarajevo

93BA0329E Belgrade NIN in Serbo-Croatian 27 Nov 92 pp 22-23

[Article by Lidja Soldo: "Sarajevo Tale: A Person Is Alive as Long as He Is Active"]

[Text] *Stories of refugees from Yugo-Beirut: "This is a war of Sandzak and Romanija, not of Sarajevans." What's the difference?*

The dead are buried at Kosevo stadium, in parks and in courtyards. There are no parks or benches left in Sarajevo. Everything has been chopped up, everything that can be burned. Even wooden tombstones are used as fuel. People are trying to flee this city. There are 90,000 of them on the list. Only a small number of them succeed. Their eyewitness accounts are horrible....

Most often they refuse to talk openly, and when they do they are reluctant to give their names. A young lawyer who succeeded in leaving the city after many attempts, says this:

"Sarajevo is gone, dead. With its 300,000 remaining inhabitants the city resembles a valley of tears. All hope has dried up, there is only the struggle for bare survival. People live from morning to evening. Every time you leave the house it is a war safari; every time you cross the street it is a question of to be or not to be. The worst thing is that you start to get used to this despair, to living without electricity and water, without food. To the shells that wake you up instead of a clock.

"I tell you that there is not a building that has not been hit. Many structures have been burned to the ground: the Oriental Institute, the OSLOBODJENJE building, the waterworks, the electric company, UNIS [Associated

Metal Works], City Hall, the Hotel Bristol, apartment buildings.... The streetcars and trolleys have been destroyed....

Palm, Knife, Gun

Nevertheless, some surreal life is still going on. "People go to work. They go in order to do something. It makes no difference whether you are in a cellar or on the street. Everywhere is dangerous," says a young doctor, Milos. When shells are not falling, there is the continuous danger of snipers. People run along "safe" routes; they die in bread lines, at burials, at their front door, in apartments. Death has become an everyday occurrence. "I couldn't sleep when I knew that I had to leave the house the next day. Those were my biggest nightmares," says Mila.

At the beginning of the war the shells united the Sarajevans. Together they waited in fear in the cellars, sharing their supplies. As time went on, the situation changed. Revanchism reared its head, so that Sarajevo Serbs endured Muslim anger in addition to the shells. Especially intolerant were those refugees resettled in wartime Sarajevo who were disgusted at their exodus and at the horrors committed against their families in the regions from which they came.

Today there are few of the city's prewar citizens left there. Initially they were timid, with the angry eyes of their fellow citizens following them, but with time the Sarajevans left in increasing numbers.

"Juka strikes exclusively with the palm," recalls one of the witnesses to the seven-month Sarajevo inferno, while showing us his broken, contorted nose. "I didn't even go to the doctor, it simply healed."

He was arrested and taken in for questioning simply because he was a military man and a Serb. All went well on the way to investigative custody; the woman in front of him was killed. "Juka was sitting in the van they were using to transport us. He had a submachine gun in one hand and a knife in the other. I don't remember whether the woman in front of me moved on purpose or just happened to bounce in her seat. Juka fired immediately and she was dead on the spot." In investigative custody they met up with Davorin Popovic. After the well-known singer kissed Juka, he recognized the unfortunate officer as his former friend, embraced him, and saved his life.

The agony on the old woman's face keeps her entire Golgotha alive. She left her apartment, 40 years of service on the job, and her pension behind in Sarajevo. They arrested her on the basis of a denunciation by a Muslim neighbor. Allegedly she was giving "signals to the Chetniks on the hill." She remembers how a woman at the police station shoved her with a filthy broom, while a young man, holding a pistol to her forehead, said that she should be killed immediately.

Dog Food

The expected resistance by Sarajevo Serbs to the comrades from whose shells they had fled into cellars for seven months and because of whom their loved ones had died is absent, judging from the stories told by those who made it to Belgrade. The harassment and humiliation that they experienced at the hands of Muslim extremists made them secretly hope that the "chetniks on the hills" would come down into the city. "I wanted the Serbs to come into the city, at least for one day. I could no longer listen to stories about how all Serbs should be killed, about how they are all chetniks and criminals," says Zoran.

Ljilja left Sarajevo and will try to go abroad. As a specialist-doctor, she earned four times less than a cleaning lady in the hospital in Sarajevo, simply because she was a Serb. She claims bitterly that she never return to that city.

People are starving to death in Sarajevo. The [illegible]ith electrical blackout thawed all the food stored in [illegible]eezers, while the blockade of the city has made new supplies impossible. The humanitarian aid that arrives is inadequate, and is also distributed inequitably. The little bit that arrives in the city, at the markets, is too expensive for the inhabitants. One cannot even buy bread every day with pensions averaging 20,000 Bosnian dinars. Anyone who has foreign exchange can buy a kilogram of potatoes for 25 marks or a liter of cooking oil for 30 marks. If one is willing to pay 50 marks for a kilogram of coffee, then one can even indulge in this luxury in wartime Sarajevo. There is also a trade in medicine. Four ampules of insulin cost 150 marks, and water-purification tablets go for 20 to 30 marks. On days when there was no water, a bottle of that liquid sells for 10 marks.

"We found a can of dog food in the pantry, heated it up, and ate it. You will try anything just to survive," says an old woman who lost 20 kg in the Sarajevo hell.

The only ones with the opportunity to buy bread are those who are under arms, members of the Territorial Defense of B-H [Bosnia-Hercegovina] and their families. There is no bread for civilians. After shells from the Serb positions set fire to the city bakery, an embittered member of the Territorial Defense of B-H complained to his pensioner neighbor. "Now they have taken our bread away." "Not mine," the pensioner replied. "You took mine away two months ago."

The J.S. family will try to make it in Ljubljana. They are reluctant to recall their experiences in Sarajevo. They had a little foreign exchange, but there was nothing to buy. "Only once apples, small and green, and once rape plant." Nevertheless, there are places in Sarajevo where it is still possible to eat well even today. The National Restaurant at the Holiday Inn offers first-class meals even during these wartime days of general hunger in Sarajevo. There, if you have the money, you can drink cognac and eat pastries, but also your choice of cutlets.

Riffraff Under Arms

Today, Sarajevo is a city of looting, crime, general unsafeness, and legalized chaos. Jewelers, stores, and businesses in the city have been looted. Beginning at four o'clock the city is completely calm, and local gangs use the curfew for looting expeditions. The city's prewar riffraff, now well-armed and in the guise of defenders of the city, defend only their stores of plundered goods. The government functions in name only; actual authority in the field is held by local chiefs in well-established shelters in "their neighborhoods." "While there is no oil for equipment at hospitals, which are overflowing with the wounded, local commanders cruise around the city incessantly in luxury automobiles," says the young doctor. They are the owners of quickly acquired gasoline pumps, but also of elite restaurants around the city, such as "Monika."

"At first we were all surprised and shocked. We believed that the war would be over very quickly. We loved the city and felt a need to defend it. At time went by, everything became senseless, this 'defense' made less and less sense. The city was transformed into a hotbed of crime; the more weapons there were, the less safe it became. It became important only to save oneself. This is a war of Sandzak and Romanija, not of Sarajevans. Young Sarajevans are not willing to participate in it," says the young lawyer, who left Sarajevo with a convoy bound for Slovenia. Everyone is fleeing from mobilization. He said that he changed addresses, tried to show that he was of Jewish descent, avoided the military medical boards, and finally succeeded.

Nihad, a Muslim, thinks the same way. He hid around the city in order to avoid being mobilized. He will not do anything against his conscience, and will not take up a gun. After he stopped working, his life in Sarajevo became a living hell. Unwillingness to defend the city with a gun is considered betrayal.

Typhus Is Coming

Natka Buturovic, a BORBA correspondent from Sarajevo who came to Belgrade, remembers not believing the reports from Vukovar and Dubrovnik about life without water and electricity. After everything that she has been through, she believes that it is possible to survive even without the most basic necessities of life. On days when there was no water, she collected rainwater, water from puddles in the road.... "I felt like I was going to die without water, that I would suffocate. I frenetically saved every drop," Marija remembers.

The regional epidemiological institute is handing out epidemic remedies and issuing daily directions for purifying water. Nevertheless, viral infections, hepatitis, and enterocolitis are on the rise. "They're just waiting for typhus," says a young doctor, adding: "It was tragic to watch lice-infested goods being cooked and lice being picked out."

Cold days bring new troubles. Sarajevans go to bed with their clothes on. At first so that they could get to the bomb shelters quickly, but now because of winter. There is no heating in the city and no glass in the windows. It is not unusual, they say, to see an expensive piece of furniture burning in the middle of a room. Recently some aluminum foil was delivered to the city to replace the broken glass. "If they open a corridor out of the city, a mass of people will leave and it will be the definitive death of that city," says Zoran.

No one denies the existence of private camps for Serbs in Sarajevo. They exist in houses and in cellars. "At first they just took away members of or those whom they suspected of having any ties with the SDS [Serbian Democratic Party]," one witness says. Today there are no guarantees. Things happens more easily on the street, so that many do not leave their apartments. "They simply take you off the street to dig a trench at the front line of combat. A friend whom they picked up that way told me that while he was digging he held up three fingers so that they would recognize him as a Serb and not shoot at him," says Jovan.

The story told by the doctor, who says that people in Sarajevo are "dying from alcohol," sounds almost cynical. Where do they get it? He says that they have even learned how to make it in a pressure cooker. Also cynical-sounding is the story told by a colleague from Sarajevo, who says that things are much better now than at the beginning, because "the shells do not fall every three seconds; we have learned to avoid places of sniper activity, and an active man always manages to survive."

Krajina Government Rejects 'Special Status'

LD1612133992 Belgrade TANJUG Domestic Service in Serbo-Croatian 1719 GMT 15 Dec 92

[Text] Knin, 15 Dec (TANJUG)—In a statement from its session today, the government of the Republic of Serb Krajina [RSK] reiterated its view that "only its people can decide on the fate of the RSK," invoking the outcome of a referendum on 12 May 1991.

According to the statement, the decision to reiterate this standpoint was made in response to the stance of the government of the Federal Republic of Yugoslavia that the status of the RSK could be resolved by giving Krajina a special status within the Republic of Croatia.

The RSK government distances itself from this view and insists that "for the people of the RSK, a so-called special status is out of question both now and in the future."

In its statement, the RSK government goes on to note that all relevant international factors have been informed about the Krajina government's stands on the ways of resolving the political crisis in former Yugoslavia. It will accept no decisions detrimental to the RSK, even at the price of armed resistance."

With reference to its relations with the Federal Republic of Yugoslavia, the Krajina government is of the view that in direct contacts and talks with the Yugoslav Government, all issues which hamper fair relations between the two sides can be resolved and the campaign in favor of so-called "special status for the Krajina republic" brought to an end.

Serbs Say Croatia Seeks Relations with Krajina

LD1612105392 Belgrade TANJUG Domestic Service in Serbo-Croatian 1041 GMT 15 Dec 92

[Text] Beli Manastir, 15 Dec (TANJUG)—"The Croatian Government has suggested, through the mediation of the UN Protection Force [UNPROFOR], the normalization of relations with the Republic of Serbian Krajina," TANJUG was told today by Slobodan Jarcevic, foreign minister of the Republic of Serbian Krajina.

Zagreb's initiative was conveyed by Cedric Thornberry, deputy commander of the UN mission in the former Yugoslavia, during his meeting yesterday in Belgrade with representatives of the government of the Republic of Serbian Krajina.

Thornberry first praised the work of the Krajina police in sector south, Jarcevic went on to say, where the number of incidents has been reduced considerably. The top-level UN official admitted that Croatian forces often make incursions in the territory of the Republic of Serbian Krajina and promised that he will try to influence Zagreb through his reports for UN Secretary General Butrus Butrus-Ghali.

Mr. Thornberry then suggested on behalf of the Croatian Government that passenger and rail communications and telephone lines be restored and that repairs be carried out to power lines through Slavonia and the Knin area.

Jarcevic said: "In the context of normalization of relations, the mines planted in the Peruca hydroelectric dam should be defused and its spare parts, which have been taken to Zagreb for maintenance, should be returned. The Obrovac hydroelectric power station should be put back into operation. Croatia also wants to rebuild the Maslenica bridge, albeit at a location south of the old one, that is, on its own territory."

The representatives of the Republic of Serbian Krajina demanded that Thornberry give assurances that these communications will not be used for transporting weapons, military equipment, or troops. They also suggested that the UN influence Hungary into opening a border crossing north of Beli Manastir, and that the airports near Osijek, Udbina, and Zemunik be made operational.

The members of the Republic of Serbian Krajina Government also suggested that representatives of the two states meet at any level and seek compromise solutions.

This was the first meeting between representatives of UNPROFOR and the Republic of Serbian Krajina to take place at the UN mission's initiative and to result in such constructive talks, the Republic of Serbian Krajina Government stresses.

Prime Minister Announces IMF Membership

LD1612032192 Zagreb Radio Croatia Network in Serbo-Croatian 1200 GMT 15 Dec 92

[Text] The Republic of Croatia has been admitted to the International Monetary Fund. The decision was passed by the IMF executive committee, and Croatian Prime Minister Hrvoje Sarinic informed the public about it at a press conference in Zagreb half an hour ago.

Sarinic said that the IMF board of directors established that the state of Yugoslavia no longer exists, and that five republics of the former Yugoslavia would be its heirs in the IMF. The succession is to be completed according to the principle of partial succession, which means that 28.49 per cent of the former Yugoslavia's quota belongs to Croatia. The heir country must state that it accepts this status and other IMF regulations, and that it is capable of carrying out the obligations set by the IMF for its members. The deadline for providing a statement on this is one month, and for other IMF regulations the deadline is six months.

In addition to Prime Minister Sarinic, the Croatian Finance Minister Zoran Jasic and Croatian National Bank Governor Pero Jurkovic also spoke about this important event at the press conference.

Sarinic on Relations With Hungary

LD1512173992 Budapest Kossuth Radio Network in Hungarian 1150 GMT 15 Dec 92

[Interview granted by Croatian Prime Minister Hrvoje Sarinic to correspondent Gyorgiy Orban in Zagreb; Sarinic responses in Croatian with superimposed Hungarian transalation; date not given; carried in the "Foreign Policy Observer" program—recorded]

[Excerpts] [Orban] Hungarians admire the difficult struggle the Croatian people staged for independence. For some time now the Hungarians believe that this process has come to a halt. Mr. Prime Minister, where is Croatia heading?

[Sarinic] We know very well the direction in which this country is moving. It is possible that people sense this halt because our international activity has lessened following moves to join international organizations, like for example the IMF, the World Bank. [passage omitted]

[Orban] The Croatian economy is in a very difficult situation these days. What possibilities exist for a revival?

[Saranic] [passage omitted] As a result of the war and ethnic cleansing, 750,000 refugees are living in Croatia. Industrial output had fallen by half in comparison to 1990, tourism was able to employ this year only 15-20 percent of the prewar capacity. It's a wonder that we are operating at all under these circumstances.

[Orban] As a Croatian prime minister are you satisfied with foreign aid and capital inflow?

[Sarinic] When asked about humanitarian aid I must say that it is never enough—the international help we have received has been very effective but covers only half of the total cost. There are thousands who draw wages for dealing with refugees—such people as hospital staff, supervisors of temporary accommodations, etc. All these expenditures are paid by the Croatian state.

[Orban] And the international capital?

[Sarinic] International capital is coming to Croatia shyly and very slowly. We know that our membership in the IMF will not bring immediate material improvement but there is hope that it will guarantee the security of investments. In my view, true revival will be brought about by the operation of commercial banks.

[Orban] What concrete agreements can there be that will result in the improvement of Hungarian-Croatian economic relations?

[Sarinic] Hungarian and Croatian economic relations have been traditionally good. [passage omitted] We planned our entire economic strategy along the north-south axis, much more than the east-west one. Therefore it is in our joint interest, with the Hungarians, to build for example roads and railroads, expand the port of Rijeka, to create a free trade zone and to open as soon as possible the Adria oil pipeline. For all these common interests the Croatian president is endeavoring to convene a conference of the leaders of the neighboring countries and it is in this spirit too that I would like to offer to our Hungarian friends the setting up of joint state consortiums which would play a big role in the practical implementation of these plans.

[Orban] The Hungarian national minority living in Croatia had an empathy with the Croatians during the war; what's more, it actively participated in the battles. They are all loyal citizens of Croatia and consider Croatia as their homeland. Why is it that the procedure of granting certificates of nationality is so slow in respect of this minority?

[Sarinic] My dear lady, I don't think that anybody would limit the rights of the Hungarian minority. By the way, we have a great deal of problems with the issuing of certificates of nationality. A huge undertaking is going on in this respect, 600 people are employed in three shifts, so please do not say that anybody would want to deliberately place the Hungarians into a less favorable position. Should this latter by the case, rest assured that the Croation government would do everything to improve the situation.

We know very well that the Hungarian minority is intelligent, civilized and loyal; we must grant all the rights which people who live here deserve. Let me remind you that Croatia has enacted one of the most modern, minority and nationality and human rights acts in the whole world. In other words, the Hungarian minority does not have to fear anything.

[Orban] It is not clear for the Hungarians what role Croatia is playing in the war in Bosnia-Hercegovina.

[Sarinic] Matters in connection with Bosnia-Hercegovina are not clear for those who do not even want to understand it. Croatia's role in Bosnia-Hercegovina is clear. First and foremost I would like to emphasize that Muslims have no other friends like Croatia. Do not forget, that 400,000 Muslims have taken refuge in Croatia; 70,000 Bosnian children go to school here. Thousands of their patients are treated in our hospitals.

Returning to your question, the essence of which is primarily political, Croatia was among the first countries which recognized the independence of Bosnia, and by this act it has proved that it strives for a political solution within the borders of Bosnia-Hercegovina as well. I know that there is a lot of speculation about the possibility that Serbs and Croats want to carve up Bosnia-Hercegovina between themselves. These are, believe me, unfounded suppositions. As you know, Serbs have got hold of two-thirds of the republic already, while the Croats control only those areas which are traditionally inhabited by Croats. If the international public opinion does not resolve upon a more effective intervention, in that

case, but only in that case, Croatia as a mother nation will be forced to provide help to Croats who live in Bosnia-Hercegovina.

[Orban] The last time we met was this year in January; at that time, one day before the international recognition of the independent Croatian state, you spoke to Hungarian Radio. Mr. Prime Minister, how do you see, in the light of the events of recent days, the situation of the so-called Krajinas, and overall, Croatia's fortune in the future?

[Sarinic] The situation is not easy at all. Croatia has accepted the UN plan. The UN blue berets have arrived here and control the so-called Krajinas and defense zones, but it also has to be seen clearly that they have not fulfilled those tasks which were laid down by the UN Security Council, and for what reason Croatia has accepted the settlement of the UN forces at all. Consequently, today there are a lot of speculations about the question whether Croatia will agree with the prolongation of the mandate of the UN forces. Croatia, before it makes a decision, will discuss the matter with the most influential factors of world politics, how the points of the earlier adopted Vance plan can be realized. One of the basic debts of the UN soldiers is that they have not disarmed the military and semimilitary formations in the zones mainly inhabited by Serbs. Therefore, refugees cannot return to their homes.

Serbs are getting prepared for elections and the outcome of this can have a great influence on Bosnia-Hercegovina and the entire Balkans. Following the Serbian political trends, my impression is that the radical wing is becoming stronger day by day. And it will lead to the fact that the alliance of Milosevic-Seselj will win and it will make the political situation even more radical. The only positive development is that the international political public opinion has understood that this Serbian radical trend does not know any other means of dispute than force.

The Islamic Conference Organization and, I have just heard today, the Dutch foreign minister, Hans van den Broek as well, will, in Edinburgh, demand military intervention in Bosnia-Hercegovina. We can see that warships are cruising on the Adriatic Sea even now. One could say that the Somalian landing is a full rehearsal for the intervention in Bosnia-Hercegovina, for the action which would be undertaken by the United Nations. NATO and America is prepared; they are only waiting for a green signal from the Europeans and the UN Security Council.

If we compare international reactions of two-three months ago with recent events, the state of affairs shows that the world is worried about the possibility that the Bosnian crisis can spread to the entire region and step across the borders of the former Yugoslavia. Incidentally, the Balkans has an unfortunate tradition; namely that it incites world wars. These days people do not settle the matter with saying that it happens there, somewhere in the Balkans; we should let them fight and we will negotiate with the winner. My opinion is that international organizations are more and more forced to take more concrete steps in order to stop the Serbian aggression.

Interior Minister Comments on Police, Security

93BA0345B Zagreb NOVI VJESNIK in Serbo-Croatian 1 Dec 92 p 4

[Article by Minister of Internal Affairs Ivan Jarnjak: "All the Files Are Open"]

[Text] The assessment of the state of security in the Republic of Croatia over the last nine months cannot be separated from the Serbian military-terrorist aggression. The war has taken thousands of lives and disabled many, part of the territory is still under temporary occupation of the chetniks and the so-called Army of Yugoslavia, while the UNPROFOR [UN Protection Force], in spite of certain results, has been unable to perform its task. The wave of refugees has brought with it a wave of crime in which even a certain number of those who have fled from B-H [Bosnia-Hercegovina] have taken part since the prisons were dissolved in the course of the war in that state.

Although on the decline, terrorism has been a substantial burden on the security situation in Croatia, but it is no longer a question of war terrorism, but of conventional crime, largely organized and on a group basis and increasingly aggressive. Recently, we have paid considerable attention to combating war profiteering, especially the illegal trade in arms and humanitarian aid. Thus, the Croatian police have simultaneously had to wage war, fight crime, and create a new Croatian police organization.

Instead of going to school, the police have had to go to war. Some 572 have been killed, and 2,332 have been wounded. Police equipment and facilities worth $27 million have been destroyed in the war. The Croatian police are still dying today in restoring Croatian land step by step and creating conditions so that those driven out can return.

Regardless of the difficulties, the Croatian police have solved 72.3 percent of the murders (the figure in the United States is 72 percent, in Great Britain—77, in France—85 percent). Acceptance of the Republic of Croatia for full membership in Interpol will make it possible to combat all forms of crime still more effectively.

The Croatian police have managed to halt the distribution of counterfeit money, which would have caused great disturbances in the Croatian economy, and there are indications of so-called dirty money being fed deliberately into the economic flows of the state. The Croatian police have also managed to improve their organization for resolving more quickly acceptance of Croatian citizenship and the issuance of nationality certificates. There have been certain oversights and

abuses, for example, in Crikvenica and Porec, but the necessary steps were taken immediately.

The MUP [Ministry of Internal Affairs] has also been working responsibly on the work of securing and monitoring the crossing of the national border. The conception of what should be done on the border has been worked out, the border crossings have been equipped, and the border police are continuing to be organized. Individuals who possess unregistered firearms are being called upon to legalize them voluntarily by reporting them to the police. Under the law, they still have time for that. The police will do everything to disarm various paramilitary groups. The MUP of the Republic of Croatia is also taking a number of preventive steps in the area of trade.

All of that extensive work is being done by employees of the new Croatian police. The makeup of the MUP personnel almost completely corresponds to the needs of the modern Croatian state. The skill differential of the police has been improved, as has the ethnic composition. Until two years ago, only 50.5 percent of police personnel were Croats, but today they represent 90.1 percent. The Croatian policeman is being trained to protect the citizens and the homeland, not any political party, so that patriotism is the criterion for enrollment in the Croatian police. But patriotism will also be proven through professional, responsible, and devoted police work for the betterment of the law-governed state of Croatia.

All the files of the notorious former communist security services have been opened, and the extremely important material in the archives of the MUP has been turned over to the Sibenik Bishopric, the Zagreb Archiepiscopate, the Croatian Archives, and the National and University Library. Today, the MUP and its Department for Protection of the Constitutional Order possess only data and information on citizens who did take part or are now taking part in a threat by force to the constitutional order of the Republic of Croatia, in carrying out crimes against humanity and international law, and especially on war criminals.

Maritime Minister Comments on Blockade

93BA0345E Zagreb NOVI VJESNIK in Serbo-Croatian 26 Nov 92 p 5

[Interview with Ivica Mudrinic, minister of maritime affairs, transportation, and communications, by Drazen Jambrovic; place and date not given: "'We Want Cooperation in Supervision'"]

[Text] Zagreb—Pursuant to the resolution of the UN Security Council which tightened the measures of the maritime blockade at the Gate of Otranto and along the Montenegrin coast of the Adriatic in order to monitor enforcement of the sanctions against the "FRY [Federal Republic of Yugoslavia]," several vessels have been stopped, including those sailing into Croatian and Slovene ports. How will this tightened surveillance affect Croatian ports and Croatian vessels? NOVI VJESNIK asked Ivica Mudrinic, minister for maritime affairs, transportation, and communications, to say something about this.

"It is certain that our vessels and the vessels of other shippers sailing into Croatian ports will also be inspected in carrying out the resolution of the UN Security Council. We hope that it will be quickly understood that there is no need to detain them if any of the Croatian ports is the destination," Ivica Mudrinic said. "However, until some kind of routine is established, we have asked our shippers to cooperate with the warships stopping them, but also to inform us of all cases when they have been stopped and checked. We will send a petition for Croatian shippers to be exempted from being stopped unnecessarily. We nevertheless hope that these delays will not be significant and that this issue will be resolved. In any case, the supervision pertains to all vessels whose destinations are ports in the Adriatic, so that this also applies to Croatian, Slovenian, Italian, and all other shippers whose vessels sail into Adriatic ports. That is why we will coordinate our efforts with those countries, and we hope there will be no need for any intervention."

[Jambrovic] Could there be reduced traffic in our ports because of the maritime blockade?

"There is no reason for that, I think it would be premature to arrive at that conclusion. The objective of the resolution of the UN Security Council is not to slow down normal flows of commercial goods, but to oversee the importation of goods into ports in Montenegro," we were told by Ivica Mudrinic, Croatian minister of maritime affairs, transportation, and communications.

Data on Unsettled Debts Presented

93BA0345G Zagreb NOVI VJESNIK in Serbo-Croatian 26 Nov 92 p 7

[Article by the Croatian News Agency: "Some 34.7 Billion Croatian Dinars of Unsettled Debt"]

[Text] Zagreb—At the end of September, there were 1,828 juridical persons in Croatia with an aggregate labor force of 82,360 and a total of 34.7 billion HRD [Croatian dinars] of reported unsettled obligations, which is 12.1 percent larger amount than the unpaid obligations a month earlier, according to figures of the Croatian Social Accounting Service.

This scale of insolvency threatens normal financial business, the Social Accounting Service warned, citing the datum that the recorded unmet obligations that have come due amount to more than 60 percent of all the money resources of the economy at the end of September.

More than 90 percent of the unmet obligations are concentrated in the 291 firms which have individual obligations greater than HRD5 million. With respect to the number of legal entities whose accounts have been

blocked, the greatest number, almost 77 percent, are private firms, but they account for 12.7 percent of the total amount of unmet obligations and only 3.1 percent of the labor force. Thus, at the end of September 1,406 private firms with an aggregate labor force of 2,550 had unsettled obligations in the total amount of HRD4.4 billion.

The figures of the Social Accounting Service show that in late September shipbuilding had the largest problem with payments; its unmet obligations amounted to HRD13.6 billion, which is 39 percent of all the unmet obligations recorded. Next comes retail trade, with unmet obligations amounting to HRD2.4 billion, the electric power industry with HRD2.3 billion, high-rise construction—HRD2.2 billion, foreign trade—HRD1.8 billion, machine-building—HRD1.7 billion, and wholesale trade—HRD1.5 billion of unmet obligations reported, etc.

Most of the unmet obligations, 73 percent, pertain to orders for payment based on transactions of goods and services, loans, and customs duties, and this kind of structure of unmet obligations results in a spread of insolvency by chain reaction.

With respect to the level of unmet obligations, the largest number of enterprises have been insolvent for 30 continuous days or more or at least 30 intermittent days out of the last 45 days. According to the figures of the Social Accounting Service on insolvency, as of 30 September there were 1,486 such enterprises with a total labor force of 7,619.

According to the Decree on Financial Transactions, a juridical person insolvent for 30 continuous days, or 30 days in the last 45, must within the period of 15 days following the 30th day of insolvency hold a meeting with creditors for settlement or postponement of the payment date. Unless the meeting is held within that period of time or the insolvency eliminated by a write-off of the claims or in some other way, the debtor or creditor may file application with the competent court to institute proceedings of receivership or bankruptcy.

In any case, the Social Accounting Service says that the problems of insolvency would have been still more pronounced if during the year the Social Accounting Service had not carried out 12 cycles of multilateral compensation. In them, HRD41.6 billion were compensated in the canceling out of obligations and claims of firms in Croatia, which is HRD6.9 billion more than the unmet obligations reported at the end of September of this year.

Zadar Citizens Against New Zupanija

93BA0345D Zagreb NOVI VJESNIK in Serbo-Croatian 26 Nov 92 p 5

[Article by I. Marijacic: "The People of Zadar Have 'Crossed Out' Knin"]

[Text] Zadar—The deputies in the Zadar Opcina Assembly, meeting on 25 November, rejected by a majority vote the proposal of the Croatian Government concerning the Zadar-Knin Zupanija [administrative district]. The view was stated that the regions of Sibenik, Drnis, and Pag would be included in the Zadar-Knin Zupanija.

In the stormy debate before the vote, some of the deputies felt that the government proposal should nevertheless be adopted, but most held the opinion that Zadar could not take on alone the burden of the underdeveloped region that would belong to it. Radovan Dunatov said that Knin is a part of Croatian territory and should not be rejected. At the same time, Ivica Surac said that the proposal for the Zadar-Knin Zupanija had been adopted in the last moment and that Knin was "thrown" into the Zadar Zupanija at the last moment. Sime Nincevic said that the fear of Knin is unjustified, because there will not be any grants made to the underdeveloped. Sime Prtenjaca, chairman of the Executive Council of the Zadar Opcina [township] Assembly, said that Zadar is not ready to take Croatia's heaviest burdens on its own, now that all others have rejected them.

After the vote, it was resolved that meetings of local people would be held so that they might take a position on the proposals concerning the borders of opcinas.

Mention was also made of the announcements to build nuclear power plants or thermal power plants on Zadar territory. The deputies felt that such construction projects are out of the question for Zadar and indeed for all Dalmatia. It was stated that Zadar uses only 12 percent of the power needed by the region of northern Dalmatia and that therefore there is no need for such an investment project. The deputies said that irreparable damage had been done to the Zadar district by the very statement that nuclear or thermal power plants might be built.

Kucan Calls for Total 'Isolation' of Serbia

PM1612093092 Madrid ABC in Spanish 7 Dec 92 p 33

[Interview with Slovenian President Milan Kucan by Monica Fokkelman in Ljubljana; date not given]

[Excerpt] [Passage omitted] [Fokkelman] Your impartiality and the fact that you belong to no Slovenian political party have given you enormous credibility in the most important European foreign ministries. However, a certain caution and discretion on Slovenia's part in the search for a solution to the Balkans conflict are noted. Do you not believe that Slovenia and yourself, as president, should give out more definite signals, as other bordering countries such as Austria, for instance, are doing?

[Kucan] We have made very definite proposals, but Slovenia's importance seems not to be great enough for the minds of those in whose hands the solution to the problem lies to begin to consider them. Slovenia is doing its utmost to contribute to the resolution of the conflict, within the framework of the conference in The Hague, at the United Nations, in London, and recently in Geneva. The military pressure on Serbia is not enough to intimidate it; what is needed once and for all is to isolate Belgrade totally, politically and diplomatically. Nor have we forgotten the refugees, and we advocate their repatriation to Bosnia-Hercegovina in order to prevent their becoming "the Palestinians of Europe," and starting to wander throughout our continent, which would also be an instability factor.

[Fokkelman] The embargo against Serbia is still as ineffective as it was before the latest decision taken by the Western European Union and the United Nations. Do you believe that a military intervention in Serbia is the last and final resort in order to end the war?

[Kucan] Despite the sanctions and military threats adopted against Serbia, nothing will change as long as the world treats it as just another negotiating party with full rights. Perhaps you believe that a military intervention is the most effective thing, and it is true that Serbia could be attacked and defeated militarily, but this would not remove the cause, which could bring about another conflict later. What is needed is to bring about a moral defeat of the prevailing policy in Serbia; that is, to create an alternative which would be able to defeat the policy which Milosevic and Cosic are implementing.

[Fokkelman] And what would that alternative be?

[Kucan] That alternative would emerge from real total political, diplomatic, and economic isolation.

[Fokkelman] Let us turn to a distant future in which the Balkan issue will no longer be a conflict. What role would Slovenia play in this conglomeration of independent states, and what kind of cooperation would there be with them?

[Kucan] Slovenia belongs from the geographical and cultural viewpoint to Central Europe—not the Balkans—and its interests also lie in Central Europe, but it is also true that the Balkans form part of the area around us and that their market is a natural market for Slovenia because of the mere fact that it is around us. When the tragedy is over, we are interested in reestablishing relations with these countries, but always at the bilateral level, taking into account the equal rights of both, without any kind of differences in the quality of relations between Slovenia and the other states of the former Yugoslavia.

[Fokkelman] Albanian President Sali Berisha recently visited Slovenia in order to request greater support for the Albanian population in Kosovo. So far, there have been only been warning calls, but what could be done to avert what is regarded as the next conflict in the Balkans?

[Kucan] Kosovo and the problem of the Albanian minority is too complex to be defended only verbally, although I believe that any method is good to achieve slight progress. But in Kosovo the problem lies in the fact that it is necessary to succeed in changing Belgrade's current policy and replacing it with an alternative which does not exist right now. Moreover, the world has deluded itself with the idea that Milan Panic could be the alternative.

Electoral Commission Announces Official Results

AU1612135092 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 15 Dec 92

[Text] The Republican Electoral Commission today announced the official and final results of the recent parliamentary and presidential elections. Here is a brief report by our colleague Marjan Rogelj:

[Begin recording] The Republican Electoral Commission opened its session in the Republican Parliament building at 1400. Official results of the elections for the president of the Republic and the State Council have already been announced. According to the official results, Milan Kucan received 63.90 percent of votes and therefore easily won the first presidential elections in our country.

As regards the elections to the State Council, the commission examined the complaint by the Professional Council of Researchers in Medical Sciences presented by Professor Dr. Lidija Andolsek, which refers to the way the representatives are appointed to the electoral body. The examples cited involved doctors who participated in the vote twice—as members of a doctors chamber or a doctors association. The Republican Electoral Commission pointed out that it failed to establish any illegality in the elections for the representatives of the health service and research activity, and therefore rejected the complaint.

The number of voters who took part in the elections for the State Council on 6 December was 1,276,131. They elected 22 representatives to the Council and 18 more

were elected later. Today, the commission presented the names of all 40 councillors, and reported that as many as 118,267 ballots were invalid. Marko Golobic, secretary of the commission, said that sociologists and political scientists should investigate why so many ballot papers were empty, crossed out, or invalidated in some other way, for that does not fall within the authority of the Electoral Commission.

We expect the commission to present official results of elections for the State Council [as heard] at the session which, as we said, is under way in the Slovene Parliament building. [end recording]

EC Grants $40 Million for Research

93BA0330A Ljubljana DELO in Slovene 1 Dec 92 p 1

[Article by Tomaz Svagelj: "EC Assistance for the Progress of Slovene Science"]

[Text] *The EC will allocate a full 10 million ECU [European currency units] to Slovenia this year for the development of science.*

Ljubljana, 30 Nov—Today and tomorrow the International Center for Publicly Owned Enterprises in Developing Countries (ICPE) at 104 Dunajska is holding an international conference on science and technology policy for development. The agenda is based on "experiences from small states and for small states."

On the first day of the session, which was opened and is being conducted by Minister of Science and Technology Peter Tancig, those present were also addressed by Slovene Prime Minister Janez Drnovsek. One of the deputy chairman of the EC Commission, Filippo M. Pandolfi, is the highest EC official who has visited Slovenia to date. Like several others, he spoke about the conference's political and strategic messages (this was the main theme of the first day). Three other members of the European Commission also came with him.

During a recess, Deputy Chairman Pandolfi, in a short statement especially for DELO, answered a question about how much financial assistance the EC would give our state for promoting science and technology. According to the data for 1992, it will be 10.1 million ECU, or in dollars, about $40 million. "This is the total net contribution of the EC; it is divided into the PHARE [Economic Reconstruction Aid for Poland and Hungary] program with 3.6 million ECU, Tempus with 2.3 million, a new program of scholarships for scientific work in the amount of 1.1 million ECU, etc., but the total amount for science and technology is 10.1 million ECU. Slovenia alone will get that amount. The entire amount for all the smaller East European states together, of course, is larger. I would like to remind you that the value of our program this year for Poland, Hungary, the Czech Republic, and Slovakia—and now also for Slovenia, which was added to our program for the first time this year—is 55 million ECU."

On Tuesday they will also discuss the practical implementation of the political and strategic messages, the experiences of individual states, and international and bilateral cooperation among states.

Problem Collecting Foreign Debts Described

93BA0338B Ljubljana DELO in Slovene 2 Dec 92 p 4

[Article by Borut Tavcar: "The Collapse of Yugoslavia and the Soviet Union Is Making it More Difficult for Slovenia To Collect Payment"]

[Text] *Algeria, Cuba, Iraq, and the states of the former Soviet Union owe us the most; difficulties with Czechoslovakia; in many cases enterprises would also be satisfied with payment in goods; the means to collect payment from the republics of the former SFRY are a complete unknown.*

Ljubljana, 1 Dec—Slovene enterprises have considerably larger claims against foreign countries than they have obligations to them. Many enterprises have found themselves in considerable difficulties because of this. There is no assistance for the enterprises, because the state does not have money, and it will also still be a long haul before the claims are paid. With the collapse of Yugoslavia the means of collecting payment became unclear, and also no Slovene institution has a clear idea of how much the unpaid claims actually amount to.

There will not be a particularly easy solution anywhere. It will only be easier where transactions were directly registered with the Bank of Slovenia and where the business partners were from a state that did not collapse like the former Yugoslavia.

The Bank of Slovenia announced how much Slovene enterprises' claims (both due and not due) amounted to on the basis of loans approved for foreign partners from individual states. These, however, are only the ones that were registered by the enterprises with the Bank of Slovenia as regular credit transactions, and consequently this does not include the ones that in the past were only registered with the National Bank of Yugoslavia or the Military Service. According to this calculation, on 31 July 1992 Slovenia's claims amounted to $312 million. We are owed the most by Algeria, Cuba, Iraq, and the states of the former Soviet Union, which also have the hardest time repaying loans.

With respect to the claims against the former Soviet Union, Senka Maver from the Bank of Slovenia's foreign business department provided information on the amount of unrealized clearing claims for which Slovene enterprises did not receive the equivalent dinar value or did not import goods, or did not receive payment through a clearing account at the National Bank of Yugoslavia for the amount of imported goods. These claims thus amount to $61.4 million in clearing dollars, and will be the subject of negotiations on delineating mutual obligations and claims among the successors to the former Soviet Union and Yugoslavia.

This information already touches upon the complicated area of regulating relations among the successors to the collapsed states. As Deputy Foreign Minister Vojka Ravbar emphasizes, the road to determining the obligations among specific entities will be long and hard. Specifically, in most cases our enterprises do not appear as the partners of the foreign enterprises. With the Soviet Union in particular, the enterprises did business through contractors and banks in other republics of the former Yugoslavia. In this case the claims are being resolved in the negotiations on succession in Geneva and Brussels. It is necessary to prove the situation by means of documents, and an individual republic's share in exports is also important. The problem is even greater because negotiations on a similar succession are also under way in the states of the former Soviet Union.

A very vivid example of how the problems with unpaid claims arose is Czechoslovakia. After 4 April 1991 the National Bank of Yugoslavia was no longer paying Slovene enterprises for goods sold in the Czechoslovak market, and likewise our enterprises could not pay their obligations to enterprises in that state through it. At the same time, Czechoslovakia did not want to establish direct relations with Slovenia, because we had not yet been recognized. The difficulties are only being eliminated now, but Slovenia, as already stated, first has to determine its relations with the republics of the former Yugoslavia.

Wherever possible, Slovenia is eliminating the problems through bilateral agreements, and wants to solve them through the succession as little as possible. Consequently the Slovene Chamber of Commerce, the government, the Bank of Slovenia, and the Public Auditing Service are trying to collect as much information as possible about Slovene enterprises' transactions with foreign countries. Tentative estimates of what left Slovenia and was not paid for have already been made.

It will also be necessary to identify the middlemen between Slovene and foreign enterprises who more or less appropriated the money from obligations that were possibly already paid. This can only be done by the above-mentioned contractors or specific commercial banks, especially in the area of the former Yugoslavia. There are cases when a short circuit occurs in the negotiations. The Slovene enterprises delivered the goods abroad through a middleman, the foreign enterprise paid the middleman for the goods, and the latter then did not provide the money to our enterprise. In this case Slovenia is powerless in negotiations with the foreign state; first of all it is necessary to clear up the relations with the middlemen.

The priority task is therefore to coordinate data with the republics of the former Yugoslavia. In this regard as well Slovene sales exceed purchases, and consequently our partners in the former joint state are not in any hurry at all. Furthermore, in most parts of this former state war is raging, and there is no money. In this regard, just as in other debtor states, no document is any help in the talks, no matter how well-argued. Consequently, the Chamber of Commerce says that it would also be satisfied with payment in goods. This particularly applies to the debts of the former Soviet Union.

Of all the relations with debtors, relations with Iraq have been cleared up the most. A special law was even drafted on this.

To some extent the enterprises themselves are also to blame for the situation that has arisen. They were too committed to the undemanding Eastern market, and furthermore some of them did not heed the warnings from the Chamber of Commerce that they should not export as long as they were not on the commodity list. The latter, to be sure, was also drafted at the federal level, but the transactions are documented. Confidence prevailed that the services or goods would be paid for someday. Trading under the commodity lists trade until a few years ago, and it is thus within the framework of the payment agreement. If the account for one year exceeded the swing credit under that agreement, payment was made, especially by the Soviet Union, in convertible currencies or in goods.

According to Vojka Ravbar, it was irresponsible to sell without knowing whether the goods would also be paid for. Those transactions, in fact, were not even insured.

Slovenia is still not insuring foreign transactions now; that method of doing business is just being introduced. First of all the government will start insuring transactions, because so-called noncommercial risks, mainly political, are present. Of course, once again there is a difficulty because of the lack of money.

Federal

General Panic Discusses Sanctions, Army

AU1512175492 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 15 Dec 92

[Text] A regular meeting of the VOJNO DELO council and editorial board was held in the Yugoslav Army hall. The adoption of the report on the work and the new orientation plans of the magazine was followed by a speech by the former head of the council, Colonel General Zivota Panic, Yugoslav Army chief of staff.

[Stankic] Colonel General Zivota Panic first said a few words about the expectations of the Yugoslav Army concerning the years ahead, and what the VOJNO DELO contributions should be. Panic discussed the general international and military-political situation. It is not correct that the geopolitical and military-strategic importance of our region has disappeared. On the contrary, Panic stressed, everything that has been happening to us indicates the opposite. Our military journalism must find a way of how to explain to the world and our own people the geopolitical importance of our country as the gate of the Balkans and Europe, and point out the historically irreconcilable interests of the centers of power in our region.

The second group of questions referred to national security. Panic stressed that the strategy of special involvement [posebno nastupanje] is being practiced.

[Begin recording] NATO and WEU [Western European Union] ships have been carrying out a naval blockade against our country for months. NATO commands at the Pentagon and other places, according to the hot-cold principle, have been announcing and denying military intervention daily. Our responsibility was established in advance. Our people have already been pronounced guilty in the foreign media, and satanized to the extent that military intervention against Serbs in Bosnia-Hercegovina and against the Federal Republic of Yugoslavia has become almost desirable. They are only restraining themselves because they are not sure that they could achieve their aims and avoid unacceptable losses.

We must soberly analyze and evaluate all these threats. We should take them seriously and react rationally. In doing so, we must take into account the following considerations: First, that the Serbian question awaits its historical climax, and that many foreign parties would like this denouement to be to the detriment of our people. This should give us resolve to close our ranks and not allow them to break our national will. Second, that we are a small country which, because of the (?crude) attacks by the current international powers, must conduct a sensible and rational national and state policy. Third, that we will not provoke anyone, but will not surrender to the mercy of anyone either.

In addition to all this, we must sincerely hope that the world will finally realize that the Serbian people also have the right to exist in the state they have chosen, in the state that will not threaten anyone. The Serbian people also will be resolute in defending their national identity with all means available, however. [end recording]

Panic also discussed the concept of the all-people's defense that did not withstand the practical test in the former state. Our long-term commitment is to create a professional army, Panic stressed.

[Begin recording] This implies the best possible way of preparing to defend the fatherland from the external enemy, simultaneously allowing other forces in society to make decisions concerning internal political life. Therefore, we will not be holding political negotiations abroad, except as part of expert groups in accordance with the decisions of the state leadership. We will not be arbiters in national politics, nor will we be affiliated with any political party. They will all be equally close and equally distant to our profession, as is appropriate for a professional fatherland army. [end recording]

Serious Problems, Prospects in Agriculture

93BA0339A Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 23 Nov 92 pp 22, 23

[Article by Predrag Ursic: "Drought, Sanctions, and Something Else"]

[Text] *A harvest half the size of last year's; the preservation of social peace has been shifted to food producers; neither the first program, nor the first government.*

After the summer drought and an unstable October, an improvement in weather conditions marked the beginning of the agricultural November. The fall harvest and sowing are therefore coming to an end, official sources say. Since the problems in supplying high-quality seed, artificial fertilizer, diesel fuel, and another no less important type of operating fuel—financial—have been temporarily more or less surmounted, the PKJ [Yugoslav Chamber of Commerce] Committee on Agriculture is expressing moderate satisfaction.

A jump ahead in November is also represented by the new protective prices for livestock and milk that were set at the federal government's 12 November meeting. The length of that jump, however, is essentially limited by hyperinflation and the renewed agitation in the (black) foreign exchange market.

On the same day, at a meeting between the federal agriculture minister and his colleagues from the republics and provinces, the Federal Agriculture Ministry's "Draft Long-Term Goals and Macroeconomic Solutions for the Agricultural Policy of the Federal Republic of Yugoslavia [FRY]" was forwarded for completion. The federal ministry expects that a public discussion will begin as early as this week. The draft, to the complete

surprise of its creators, has already passed through the first gauntlet of criticisms in the PKS [Serbian Chamber of Commerce]. More than by the content of those criticisms, the ambitious Agriculture Ministry of the even more radical federal government should be concerned, however, by the fact that the pre-election heavy verbal artillery of the Republic of Serbia is commanded by its Prime Minister Bozovic, who is in any case a celebrated fighter against the "anti-agriculture" policy of the previous government of the also previous federal state.

Production—Overcast Even Without Clouds

This year's harvest of 2.1 million tons of wheat is half the size of last year's "record." Admittedly, 260,000 fewer hectares of plowed land were sown with wheat, but the yield averaged a third less. The areas sown with sunflower and soy were larger than last year, but only slightly more sunflower was reaped from them, while the drought cut the soy yield in half. According to the data of the corresponding republic ministries, the corn harvest is also about to be completed—most of the 4 percent of the cornfields that have not been harvested are in Vojvodina, where the fuel shortage has been particularly inhibiting. The estimates indicate that 4,452,000 tons of corn have been produced, with a yield of 3.1 tons per hectare. A fifth of the area from which sugar beets have not yet been harvested is also located in Vojvodina. The sugar factories, which have already processed 1,750,000 tons of the 2,160,000 tons harvested, are concerned because the "sweet root" is less and less sweet; the decay of the beets has reduced the yields, but also the digestion, by 15-16 percent.

In general, the average yields in agricultural production are 20-30 percent lower than in an average harvest year. Since the last sowing was mostly done outside the agrotechnical periods and at a low technological level (from the use of agricultural machinery to the amounts of artificial fertilizer, pesticides, and high-quality seed used), it would be a mistake to use this year's drought as an excuse. Or the international sanctions either—the problems existed long before anyone could have foreseen the EC's Rome sanctions and the Security Council's considerably more comprehensive ones, no matter how much the authors of the "consistent antiinflation development program" from Serbia booed them.

Forecasters say that the weather will favor having the wheat sowing also completed on the last 25 percent of the planned 835,000 hectares of plowed land. That would also be approximately all that agricultural producers could cultivate. In fact, with this year's 160,000-hectare increase in sowed area it will hardly be possible to obtain a proportionately larger yield. Even though there will be enough fuel, judging by the Serbian Agriculture Ministry's announcement about sending 39 million liters of D-2 for agriculture, the lack of artificial fertilizer and high-quality seed will only be felt next year. According to information from Agrohemija, the amounts of NPK fertilizers and urea that were delivered only covered 57 percent of the total requirements. The current mineral fertilizer reserves will only satisfy 5 percent of the requirements in the spring sowing, which also represents three-fourths of the total sowing. To make the problem even worse, because of the lack of basic raw materials, especially phosphate and gas, fertilizer producers are on forced leave until, we hope, "only" 15 February. The shortage of wheat seed resulted in an increase in the amount of the commercial wheat that had to be given for it (the established ratio of 1:2 has shifted to 1:2.5-3), but also a rapid decrease in the number of producers who were willing to make such a "transaction."

Although less absorbed in the sky than farmers, livestock breeders are still following well-trodden paths to the distant 1960's. The number of pigs and poultry, a type with a considerable shorter generation span, has been increased by a modest 9.6 percent and 68 percent, respectively. An increase in productivity, furthermore, did not compensate for the reduction in the livestock inventory. Indicators like the ones that the average milk production of cows in the FRY is 1,718 liters and that in 1991 15 percent less meat per sow was produced than a quarter century earlier, furthermore, place us on shamefully low rungs on the scale of world lists. The slaughter of livestock is still continuing, but outside the slaughterhouses—the number of shipped and slaughtered head is less than in 1991, which also showed a regression.

In addition to slaughterhouse facilities, other food industry facilities are also less utilized. During the first 10 months of this year the physical volume of the production of food products was 13.5 percent less than in the same period last year. The fact that the decline is less than the average for industry overall, 18.4 percent, is not consoling. The producers, however, sought consolation by increasing their prices by 5838.7 percent, thus exceeding the industrial average of 4713.6 percent, but also the abilities of consumers; at the same time, outlays for food were increased by 464 times. Unfortunately, it was not hard to predict that state intervention, through decrees limiting the prices of basic food products, would shift the burden for preserving social peace to the food producers. The food industry and the half-starving citizenry were thus confronted with the sobering realization that the elimination of the "middlemen" from the "exploitative" Yugoslav republics and the proud "No!" to the malicious world did not result in the euphorically announced resistance of a prosperous and "empowered" Serbia, and the "third" Yugoslavia.

Agricultural Policy: Deja Vu

In spite of all the problems, the Federal Agriculture Ministry still thinks that there will be enough of the basic food products to feed the FRY's population of 11 million, including the refugees. Naturally, this is if those products find their way from the producers, through the processing facilities and commerce, to the extremely impoverished customer. The state of the market infrastructure, however, is very eloquently indicated by the indicator of the rapid decline in the "marketability" of

agricultural products. Through August, the value of the sale and purchase of agricultural products was reduced in real terms by one-fourth, in spite of the nominal growth of 4,600 percent. Commenting fairly freely on this fact, one may say that the disgraceful possibility that a country rich in food may face starvation is a better illustration of the exhaustion of the existing socioeconomic concept than the world-record rate of inflation.

Proceeding from similar, but naturally considerably more moderately formulated descriptions, the draft of the FRY's future agricultural policy defines as its basic priorities "self-sufficiency, strategic food security, and the growth of exports of agricultural and food products" and "ensuring the stability of the producers' socioeconomic position" by "increasing productivity, economic efficiency, and the quality of the products," and "ensuring a stable market for agricultural and food products." Respecting the desire of the creators of the draft that criticism of the projected "construction of appropriate market institutions and economic instruments and state guarantees" be postponed until they assume more permanent shape, let us say only that this is neither the first program nor the first government with serious intentions of carrying out a "deep plowing" of the agroeconomic barren soil of the "European breadbasket." The realization that the serious situation in the agroindustrial complex cannot be overcome without a radical change in the overall socioeconomic milieu, for the heirs of some of the reforming ambitions of the previous, ruthlessly dismissed federal government, will therefore represent their best support in the current struggle with the loudmouthed veterans of the last "agricultural war," which has tragically grown into a real one.

[Box, p 23]

For an "Agricultural Budget"

Ratko Lazarevic, Federal Agriculture Minister, is remembered by most of the public for his speech in the Federal Assembly's Council of Republics, when he countered the accusations that the federal government was most responsible for the protests by unpaid farmers with facts, and with the announcement of a long-term agricultural policy.

"There was only a standstill in payments until 18 September," the federal minister stated for EKONOMSKA POLITIKA. "Because of the drought, instead of in October and November, work in agriculture started a month earlier, so that the soy and sunflower harvest was already finished by 15-20 September. On the other hand, monetary policy and the budget are done quarterly, from 14 July, and so in September there was a gap between the funds provided and the current needs. Since then, the NBY has accepted our recommendations that the requests for funds to be withdrawn from the primary issuance be urgently resolved. According to our information, as of 26 September the sunflower and soy were paid for, and by 6 November, the NBY had paid commercial banks 180 billion dinars. Furthermore, instead of the 135 billion dinars that had been provided for agriculture by monetary policy, 265 billion were issued, i.e., twice as much. These funds are sufficient for carrying out the fall harvest and the sowing of the wheat.

"Some commercial banks, however, for reasons for which I am not responsible, kept the funds received from the NBY longer."

In defining the long-term goals and macroeconomic solutions of the future agricultural policy, special attention was given to financing the development of agriculture, and especially to a program of subsidies and incentives.

The "formation" of an "agricultural budget" in the amount of 15 percent of the value of agricultural production will mean investing twice as many funds as in the past. This implies bonuses, subsidies for inputs that would encourage greater use of biological factors in the growth of agricultural production, and also subsidies for interest and export incentives."

Whether the incentives for agriculture as thus conceived will start to operate as early as 1 January 1993, as planned, depends a great deal upon the outcome of the current struggle for power between the federal and republic authorities in Serbia. Minister Lazarevic confined his comment on this observation to citing the FRY Constitution and pointing out Radoman Bozovic's well-known interview on Belgrade Radio-Television.

Until it is determined which arguments will win, the cashboxes of the federal budget, and thus the "agricultural budget" as well, will continue to make an empty clatter.

Private Bank for Agriculture Planned

93BA0339D Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 23 Nov 92 p 30

[Article by V. Gr.: "Private King Bank for Agriculture"]

[Text] The King Bank differs from the numerous private banks that have been founded or are waiting to receive an operating permit from the National Bank of Yugoslavia [NBJ] in its intention to have its main concern by business involving agriculture. The main initiator of the bank's establishment, Mr. Slobodan Jankovic, a coowner, with 50 percent of the capital, of the Danish agriculture firm Christian Hansens, which has two offices, in India (a laboratory) and Belgrade (a milk exchange).

As Mr. Jankovic stated in the founding committee, the King Bank can expect the NBJ's operating permit in about 15 days, because all the legal conditions have been met. The King Bank is in a position to ensure a founding capital of 1.5 billion dinars, which is three times the prescribed amount. The lowest amount of a share for co-ownership in the bank is 1,000 German marks, or

50,000 dinars, which approximately corresponds to a 10-percent share in the prescribed minimum capital limit.

So far 41 firms are among the future founders of the King Bank. They also include two socially owned banks (the Investbank branch in Novi Sad and Agrobank in Belgrade), and there are also physical persons. It is clear from the list of the firms that will be the future founders that the principle of equal property treatment for private and social owners is in effect in the bank, and that policy will also be followed in financing.

The only condition in selecting the firms with which it will do business is solid creditworthiness.

It is clear from the structure of the capital that has been provided so far that the private sector is dominant in the bank, because 90 percent of it is private capital. The Danish firm Christian Hansens has the largest share, 40 percent. It is a mixed bank, since it plans to have 20 percent of the capital be in the form of foreign exchange, which can be realized in the form of actual foreign transactions (exports, imports) after the foreign sanctions and the blockade are lifted. In addition to the Danish firm, the Dutch firm Hof, the Bulgarian Cotract from Stara Zagora, and also the Cypriot Tain Trading Limited" (TTL) from Limasol are also being mentioned as future capital investors.

The King Bank's main concern will be investments in agriculture, since in its opinion there are great possibilities there for exports and profit. It is mentioning the production of meat, milk, and a highly rated type of mushroom that is successful in this area. Mr. Milojko Markovic, who developed the prospectus on the establishment, emphasizes that foreign business and transactions will represent the most important part of the King Bank's activity. It is expected that there will be continuous interest in investments in the bank's capital, in view of the open prospects for larger dividends in comparison with standard interest rates.

The bank intends to conduct a policy of lower interest rates for loans, in order to encourage investments in agriculture production. This does not mean that it is refraining in advance from income that is possible in the banking market. It intends to compensate for the lower interest rates through income from the larger volume of business that is possible in view of the demand in international markets for the products in which the bank will invest.

Finally, in response to a question about why there should be a new bank for agriculture in addition to the already existing ones for which this area is "in their job description," the answer was as follows: It is necessary to make up for the lack of effective private institutions that can adapt quickly to the market, and whose investments can yield results in the short term.

National Bank Relaxes Monetary Policy

93BA0339A Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 23 Nov 92 p 10

[Unattributed article: "Preelection Issuance"]

[Text] The 450,000 people employed in sectors of the metal-processing industry, who have been on forced leave or have mostly been coming to the factories without any reason in recent months, are going back to work these days. The prescription for starting up the big machinery came from the National Bank of Yugoslavia. Specifically, at the beginning of this month the board of governors approved 83 billion dinars "for giving short-term credits to banks on the basis of portfolios of commercial notes," which will be issued precisely by enterprises in the metal-processing sector. Enterprises in Serbia will get 75 billion dinars on this basis, and those in Montenegro, 8 billion.

The technique for making use of this preelection monetary gift is as follows: the enterprises complete evidence of the value of their own inventories, i.e., the production in progress, and then the inventories of finished products and goods that have been sold but not yet paid for, and with that documentation and with the amount thus identified for the value of commercial notes, they go to a commercial bank which pays them money. The commercial banks rediscount half of the support thus paid to the central bank (with the usual incentive interest rate), and cover the other half from their own resources (of course, at their own commercial interest rate).

We know an enterprise whose workers have already received two salaries from a fund formed for that purpose, and which will thus issue or collect (it depends on the angle from which the undertaking is viewed) all of 10 billion dinars, i.e., a by no means negligible $13.5 million at the official exchange rate. We also know that most of the loans obtained in this way will go into the treasuries of those enterprises which have a large number of employees, while small ones will have more problems in persuading the banks that they will really be able to repay the loans, and some of them—since they are more flexible in any case—will not even enter into these arrangements. That, however, is not the subject being considered in this article.

The key question is: What is meant and what is the scope of this kind of use of loans from the National Bank, i.e., the primary issuance? Even the writer of these lines could turn his craft into a hobby if he found a customer capable of paying for new FAP [Pionir Automobile Plant] trucks, new IMT [Engine and Tractor Factory] tractors, new engines, machine tools of all types, new and various furnaces and stoves, and so forth. There are no customers, however. Otherwise they would have been found by the factories' marketing services and professional dealers. On one hand, it is because the buying power of the new state's population has fallen significantly, and on the other hand, because most of the enterprises in this sector, especially final assembly ones,

have simply been left without most of their former customers. The director of a highway vehicle factory that was among the first to stop production completely said in regard to this: "In order to employ our capacities, we first have to find a solution for exporting 60 percent of our production, instead of the 30 percent that we exported while the previous Yugoslavia existed. No one in the new Yugoslavia has even tried to offer new balance-sheets so far. Doping production in the way that it is being done now will lead us further toward disaster, because we have to accept loans for the sake of wages, but we will not be able to repay them within a period of six months by any means, because we cannot sell our goods." The director of another factory, which admittedly does not have final products, is also skeptical. "We will get the money, and start production, but we do not know who will buy our goods. If there is no customer, the products will become an additional liability, burdened with interest rates. I can already see what will happen. Most of the money from the issuance will go into wages again, and it will all be spent in three months." "But it will restore the faith of employees and their families," replied a director at another very large firm, thus expressing—whether intentionally or not—the essence of the whole operation. The use of the issuance to give an artificial shot in the arm to production in a sector that cannot get started without renewed participation in world trade and without a severe restructuring of production and technology, is actually a preelection marketing move, with the clear goal of restoring the faith of employees and their families, at least for the short term. The monetarists and the governors should come forward with an explanation.

Article Examines Health of Main Banks

93BA0329C Belgrade NIN in Serbo-Croatian 27 Nov 92 pp 28-29

[Article by Dragan Cicic: "Yugo-Dafiment Banking: Go for Broke"]

[Text] *It appears that after "Russian roulette," in which an individual's life is at stake, another tragic form of gambling has been devised—"Serbian roulette," in which the survival of an entire nation is an all-or-nothing game.*

One of the rare doomsday stories—or perhaps the only one—that is still able to stir up the public began to circulate last week. Predictions of the imminent collapse of Dafiment Bank and Jugoskandik (even the exact date was given, 5 January) drove people, who are already pretty much accustomed to seeing the gloomiest predictions inevitably come true, to grab the telephone and seek information on radio and television call-in shows about who will prevent the failure of the most popular Serbian institutions, and how.

The panic is quite understandable: "After my mother, my closest relative is Aunt Dafina, and she has helped me more than my mother," says one of the customers, who has very deep feelings for Ms. Milanovic, despite the fact that he has never seen her (except on TV).

On the first program of Radio Belgrade, in yesterday's daily news report from Bor, the correspondent reported on the closing of mining sites. The workers are going along with the move; en masse they are taking advantage of the option of resigning and receiving 24 months of pay all at once. They convert this money into foreign exchange and deposit it into their accounts at Dafiment Bank, which somehow at that very time conveniently opened a branch in Bor. A simple calculation indicates that if the average monthly wage is 100 marks on the black market, a diligent worker can get 240 marks in interest (in marks, on the 2,400 marks bought with 24 months' wages). "While unsuccessful enterprises are closing, successful banks are expanding their business," the reporter concludes triumphantly, portending a time in which no one and nothing in Serbia will have to work, except the banks.

How is this economic miracle possible? At Dafiment they say that the secret lies in investing money well, i.e., in investing the accumulated cash in enterprises and naturally state banks at even higher interest rates than those that they give. This explanation is very logical with regard to dinars, which, as we know, can be printed up in whatever quantities are needed, and sometimes even more than that. But where are the huge quantities of hard currency coming from?

Dafina's officials boast of 10 million deposits. If we assume that the average deposit is 1,000 marks (at Dafiment the estimate is higher), it follows that there are 10 billion marks deposited at that bank alone. We assume that Jugoskandik, which has not yet released information of the number of its depositors, has at least half that much. Since the interest rate at both banks is around 10 percent, this means that they are paying out a billion and a half marks a month in interest alone, and thus a billion dollars. All payments are in cash.

A Kind of Chase Manhattan

In order to get a better picture of the size of this sum, we should note that Prof. Oskar Kovac recently said that we would need a loan of $3.2 billion to overhaul the economy, while $850 million would be enough to get production going. Thus, a smaller amount than what Dafiment and Jugoskandik pay out each month in interest!

Banking experts were also perplexed by the full vaults that the owner showed off to cameras six months ago. Specifically, in banks in the rest of the world it is impossible to find that quantity of money in one place. In order to withdraw more than a million dollars from, say, Chase Manhattan Bank, one must announce this intention several days in advance, while people who worked at Jugobank when this country was still receiving credits recall that international consortiums were set up

to supply the credited $20 million—a sum that Dafina pays out every day—because no single bank could provide that sort of amount.

All of this, at least at the current level of development of economic science, can be explained only through a model that has already been mentioned in connection with Dafiment and Jugoskandik and is known as the "chain of St. Anthony." Let us recall: This is a system in which those who deposit money today receive interest from the money of those who deposit it tomorrow, while the latter in turn get their interest from the money deposited the day after tomorrow.... The "chain" is broken when the inflow of new deposits stops. Then, the entire system collapses. This has already happened once in this region, three or four years ago when the so-called pyramid of fortune was in operation throughout the country.

What is worrisome is that such systems have collapsed very quickly—some have lasted only a few weeks, and others have gone on for only a month or two, while Jugoskandik and Dafiment have been in business for more than a year now. Thus, it can be assumed that the system according to which these banks operate is much more refined and includes a series of "shock absorbers." First, the billion and a half marks a month in interest is not paid out in full, because people take only what they need to live on, and it is very likely that they withdraw scarcely half of that sum. Then, the foreign exchange from interest is sold almost immediately to street dealers, and all indications are that it then ends up back in the banks. Thus far, no direct link between street resellers and banks has been established. The few among them who are willing to say anything contend that it is "impossible to do this kind of work if you do not have a bank behind you," but even they are unwilling to name any bank.

In this case, the outflow from the system through payments to citizens is negligible, but such chains are also created in order to withdraw money from them and direct it elsewhere. Into pension funds, for example. Ms. Milanovic has stated quite clearly that her bank helps such funds. The current leasing of gasoline pumps by those two banks could provide an idea of which foreign exchange was used, even before the sanctions but after the collapse of the country's foreign-exchange reserves, to buy petroleum and derivatives. In a story that NIN published previously, the owner of Jugoskandik was mentioned as one of the biggest donors of military equipment for eastern Slavonian operations.

Such expenses are great, so that another "shock absorber" is necessary in order for the system to be maintained for a long time: some sort of influx of foreign exchange from abroad. "No matter how strange this may sound, exports should not be irrelevant under these circumstances," says Prof. Danijel Cvjeticanin. "It is known that under hyperinflation consumption falls more quickly and drastically than production, so that despite the fall in production significant surpluses of goods appear on the market. Because of the sanctions, they can be sold abroad only illegally, which in practice means cheaply. In this way, the country's commodity reserves are being exhausted in the long run, but in the short run we are getting the necessary foreign exchange."

Mine of "Political" Factories

Financing such exports can be very lucrative, especially because of the "interest auction" that all banks use anyway. This mechanism is based on the existence of large "political" factories that operate at a loss and do not repay loans, while state banks under political pressure must give them credit. In return, "political" firms offer enormous interest (since they have no intention of paying it anyway), thus raising the general level of interest rates. In this way, state banks use the high interest paid them by successful firms to partially cover the losses resulting from transactions with "political giants." Private banks, including Jugoskandik and Dafiment, use the high level of interest rates established through this mechanism on the market, but they give money only to those who can repay it, which ensures solid profits.

The other major influx of foreign exchange is provided by Gastarbeiter, especially Albanians. Since Kosovo Albanians are mostly unemployed, the money to support them is provided, as one young Albanian says, "by relatives and friends with jobs in the West." More prosperous refugees have also brought with them a certain quantity of hard currency. "We got neither work nor housing; for whatever we want, we change marks," says a middle-aged person from western Slavonia. "And our region was the richest in Yugoslavia. No one came here with less than 50,000 marks."

5 January?

All the "shock absorbers," however, are almost irrelevant compared to aforementioned basic source of funds in the "deposits from the citizens-money from the mattress" chain. The "shock absorbers" themselves provide fewer proceeds than the quantity that goes abroad—if that were not the case, the economy would be registering steady growth, not decline. That means that even despite the "shock absorbers" this system will fall apart the moment the foreign-exchange supply from new deposits, i.e., "money from the mattress," becomes less than the outflow (for petroleum, social outlay, aid to the krajinas, etc.).

Since Dafiment and Jugoskandik are becoming if not the only then at least the main source of survival for an increasing number of people, the people will probably stop depositing their money there only when there actually ceases to be more foreign exchange there than in their mattresses. It is hard to say whether this will happen on 5 January, as the doomsayers imagine, because it turns out that household reserves of hard currency are larger than was assumed. (As we have

mentioned, it is conservatively estimated that around 15 billion marks have been invested in the aforementioned bank thus far.)

The best thing to do is for citizens to verify how many marks they have left at home. Based on what they find, they will know how soon the day will come when they will all become "old foreign-exchange depositors."

Serbia

Milosevic Vows Not To 'Surrender'

AU1512135192 Belgrade Radio Beograd Network in Serbo-Croatian 1100 GMT 15 Dec 92

[Text] Slobodan Milosevic, president of the Republic of Serbia, is visiting Krusevac today. Here is a report by Dusan Djordjevic:

[Begin recording] [Djordjevic] By visiting the Krusevac Merima Chemical Works, Slobodan Milosevic, president of the Republic of Serbia, began his one-day visit to Krusevac, Trstenik, Kraljevo, Cacak, and Gornji Milanovac. At the Merima Factory, the president of the Republic of Serbia was cordially greeted by the collective's workers. Slobodan Milosevic was particularly interested in learning how the factory is doing under the conditions of the sanctions. Vladimir Markovic, the factory's director general, said that Merima has doubled its production.

Slobodan Milosevic was presented with Merima's golden badge today. Receiving this sign of recognition, at the workers' demand, in the detergent production hall, Slobodan Milosevic said the following:

[Milosevic] I thank you for this great sign of recognition, and I would like to use this occasion to congratulate you for your great work successes. Namely, we are all very glad to hear that Merima is achieving excellent work results, that it is working in full swing, that the results it has been achieving are two or three times as high as those by factories that have been left outside Yugoslavia, that is, that it has been fulfilling its plans and that sanctions that have unjustly been imposed against our country have in no way affected it. Everybody should fight for one's country in such a way, above all in his workplace. This is what you have been doing. I congratulate you for that and wish you much success. Thank you. [applause]

[Djordjevic] At the Zupa Chemical Works and the Radoje Dakic Factory, Slobodan Milosevic was enthusiastically greeted by the workers while he viewed the halls.

The president of the Republic of Serbia laid a wreath at the Kosovo Heroes Monument in the center of Krusevac and was enthusiastically greeted by several thousand citizens who chanted Slobo, Slobo; Slobo, welcome to the capital; Serbia is not for sale; and Everybody supports Slobo. There were numerous photographs of Slobodan Milosevic. This is what the center of Krusevac looked like today.

After laying the wreath at the Kosovo Heroes Monument, Slobodan Milosevic addressed the citizens:

[Milosevic] Citizens of Krusevac! [cheers] Cheers! Here, in front of the monument to the Kosovo heroes I want to tell you that Serbia will not surrender [ne dati se]. Throughout its history Serbia has earned something from Europe by fighting against occupiers, because by fighting for its freedom it also protected those countries that are now denying our republic and our people these same rights. [shouts of: "It is so!"]. We are now exposed to great pressure, but even under this pressure we are going to give up neither our country nor our people. We have the same right as all other peoples of Europe, to which we equally belong and in which we want to be treated only as equals and by no means as servants [applause].

This people knows very well how much it has sacrificed for its freedom, how high a price it paid for this freedom, and there is no price for which it could lose it. [shouts of: "It is so!"]. Rest assured that we have all the conditions for a successful, free, and democratic economic and cultural development and that together we will achieve that development [applause]. I am very glad that here in Krusevac I had the opportunity to see many factories having been built since our last stay here and many successes achieved in this town, which is in a specific way representing the success of the whole of Serbia. I want this town and Serbia to successfully develop in peace and freedom. Therefore, it is our greatest interest to preserve peace, to preserve our independence, to preserve our country, and to preserve our people and enable a successful and prosperous development. [applause]

I wish you, citizens of Krusevac, much success, much happiness, good health, and I wish you ... [Milosevic is interrupted by chanting of "Slobo, Slobo"] I want you to continue to make your great contribution to the development and unity of Serbia, and the preservation of the Serbian state and the Serbian people. Cheers! [applause]

[Djordjevic] President Slobodan Milosevic then visited the Krusevac Communal Assembly where he held talks with representatives of the public, cultural, and economic life. Prior to this, he walked through the streets of Krusevac. [end recording]

Milosevic Sends Letter for TV Election Broadcast

AU1612092792 Belgrade RTB Television Network in Serbo-Croatian 2225 GMT 15 Dec 92

[Report by Ratko Dmitrovic]

[Text] Good evening! Dear viewers, as you know and as has been announced, at this time today, within the time

allocated for the presentation of candidates for president of the Republic of Serbia, Slobodan Milosevic should have been our guest. However, this evening we received a letter which reads as follows:

As I have spent the entire day today in close contact with the citizens of Serbia, about which you reported in your regular programs, I believe that organizing a special presentation on top of that would be too much. I would even call it self-assertive.
Signed: Slobodan Milosevic.

As Mr. Slobodan Milosevic failed to make use of the time allocated to him, we shall be showing you a program from our studio instead.

Milosevic 'Convinced' Sanctions Will Collapse

AU1512170392 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 15 Dec 92

[Excerpts] After concluding his visit to Krusevac, Slobodan Milosevic, the president of the Republic of Serbia, gave a brief interview to Belgrade Television journalist Dragan Ilic. The first question referred to Milosevic's impressions of this visit.

[Begin recording] [passage omitted] [Ilic] Mr. Milosevic, what is your impression of Mr. Panic's remark that if he becomes president of Serbia, he will abolish that office because modern federations cannot have three presidents?

[Milosevic] You should put that question to the people who make such statements. As regards whether the office of the president exists or not, it is not part of the president's powers to decide that. I think that everybody who deals with this should know that in a parliamentary democracy, decisions about the constitution, and particularly about the Constitution of the Republic of Serbia, are made initially by parliament alone—therefore, not by the president of the republic, even at that first stage—and at the second stage by all the citizens of Serbia. Because, as you know, the Constitution of Serbia can be amended only through a referendum and that is a very firm guarantee of its stability, the stability of the democratic arrangements of the Republic of Serbia, and, therefore, a guarantee that not everybody who comes up with the idea of amending the constitution at his own will can do so. After all, you know that very well.

[Ilic] Mr. President, certain presidential candidates are trying to discredit their rivals in all possible ways, contrary to all basic moral principles. What is your comment on this?

[Milosevic] Well, I would not comment on this at all, because there is no need to speak about them. They speak about themselves by doing things in such a way.

[Ilic] America's Mr. Eagleburger [secretary of state] and Russia's Mr. Kozyrev [foreign minister] yesterday showed publicly what kind of authorities they want in Belgrade. This was unbelievable pressure so far unprecedented in world political circles. Even politically like-minded people were confused.

[Milosevic] I hope that this was a good manifestation of what I would call the allegedly democratic character of that future world order. I believe that decisions in Serbia will be made by its own citizens, and not by Eagleburger or Kozyrev or their bosses.

[Ilic] Can the Serbian economy with its vitality endure all the sanctions imposed against it, after all this?

[Milosevic] The economy is enduring the sanctions much better than their creators had hoped. It is obvious that the further the sanctions go, the less they affect our economy. I am convinced that these sanctions are going to collapse, not because of the political will or conscience of the people who imposed them—as they obviously have no conscience any more than truth, justice, and democracy, which they profess and swear to be close to their hearts —but they will collapse as a result of the logic of economic interests, the logic of the fact that nobody can stop economic cooperation, not even these administrative sanctions of theirs, of which I am sure they will very soon be ashamed. I am also sure that their children and probably grandchildren will be ashamed of what they did to one nation, one country, only because it wanted to be its own master, because it did not kneel or bow to anyone, and because it wants to be free and independent.

I think that the sanctions will very soon become totally unimportant. They are now directed at our elections. They want to install a puppet government here that will act according to their dictates. They think that the people here will do out of fear what they cannot do.

[Ilic] Thank you Mr. President.

[Milosevic] You are welcome. [end recording]

Electoral Commission Clarifies Panic's Status

AU1612080592 Belgrade POLITIKA in Serbo-Croatian 5 Dec 92 p 7

[Report by I. Anojcic: "Milan Panic Refused Citizenship on 8 June"]

[Text] Following the rejection of the candidacy of Milan Panic for the president of the republic, Vladeta Popovic, secretary of the Republican Electoral Commission, stated that the commission had acted solely in accordance with the law. "All the public speculation concerning the length of stay and the duration of Milan Panic's residence permit in the Republic of Serbia is superfluous against one single fact: Until 8 June 1992 Milan Panic was not even a Yugoslav citizen at all. He was, namely, released from our citizenship on 10 February 1970 at his own request," the secretary explained. In the records which were handed out to the Republican Electoral Commission, there is the letter of release by the

Federal Ministry of Internal Affairs regarding the request of Yugoslav citizen Milan Panic, chemist, born on 20 December 1929 in Belgrade. In the explanation it was said that Panic had taken U.S. citizenship. "It was 22 years ago, and Milan Panic obtained Yugoslav citizenship again on 8 June 1992, once again at his own request, explaining that his permanent place of residence was Los Angeles, and his temporary one in Yugoslavia." "He registered, according to official records, no earlier than 28 November 1992," Popovic said. "His stay in Serbia before his registration was made possible by issuing him a business visa for a foreigner - a citizen of the United States. There is also a letter of application of 13 February 1991 supporting that. On the basis of the business visa issued to the citizen of the United States, he could under no conditions, just like other foreign citizens, get a residence permit," the secretary explained. "Therefore, the commission did its job very conscientiously and made the decision solely according to the law. Any breach of the law, no matter which candidate is concerned, would question the legality of the elections for president of the republic," Popovic said, adding that all the records are accessible, and the public may have access to them as well, including the request for the dual citizenship signed by Mr. Milan Panic in June this year. The final list of the candidates for the president of the republic will be known today.

Minister Blames Western 'Threats' on Panic

AU1612092192 Belgrade RTB Television Network in Serbo-Croatian 1815 GMT 15 Dec 92

[Interview with Serbian Foreign Minister Vladislav Jovanovic by Dusan Cukic; place and date not given—recorded]

[Text] [Cukic] Mr. Jovanovic, there are threats of bombardment, threats that Belgrade will be bombed, that there will be attacks on the former republic of Bosnia-Hercegovina. It is claimed that what was done in Somalia will be done here. The Twelve in Edinburgh appear to be very worried. There is a NATO session ahead of us. Russian Deputy Foreign Minister Churkin, who will most certainly not stay in that position for long, in the diplomatic chair of Moscow, is saying here in Belgrade that they support both sides. Eagleburger, former U.S. ambassador in Belgrade, a man who will only remain head of U.S. diplomacy for only a short time, is again sending us a message as to whom and what we should vote for. Are all these shots empty shots, or is it, in your view, possible that someone could attack Belgrade, Serbia, or Montenegro?

[Jovanovic] I would first of all like to say, and I am deeply convinced of this, that these things have been ordered by Prime Minister Panic, because even in the past he, let us only recall what he said in the General Assembly, when he publicly called for the help and support of other countries so that he can fight his internal political opponent more easily and successfully. [sentence as heard] Therefore, I am convinced that this series of warnings, scares, interference in our election campaign is in fact the consequence of such demands.

I would also like to remind you that one can assume power in an irregular way either with the help of foreign tanks or with the help of foreign resolutions and interference in the election campaign. Both results produce a vassal relationship with the one who offers this help and support. This would not be lacking in this case either, if the impossible happened, that is, if the people were tricked and gave their trust to the one who has jealously kept secret his correspondence with foreign helpers and does not want to show it to the public.

In my view, if he wants to gain or maintain credibility and enjoy the full trust of the people, he should publish this correspondence and let people decide on the basis of it what his relations with foreign factors are, whether he depends on them or not, and how and to what extent, and whether he is defending the independence and dignity of the country as he swore he would at the inauguration, and as he is trying to convince us in his election spots.

Regarding the bombardment of Belgrade, these are games for children. One should not believe it, because there are no grounds whatsoever for combat activities to be extended to Serbia—that is, Yugoslavia—by foreigners. It would be sheer aggression. Aggression is not carried out by sensible people, but only by senseless people. Since we are still dealing with sensible politicians, it is clear that this is out of the question. It is an election ploy that is being offered so that the people, frightened by such possibilities, will renounce their right and start doing what is demanded of them, so that mercy could then be granted, so that the Serbian people would be spared such a terrible fate.

Therefore, just as what happened in July or August, when there were rumors that the bombardment of Belgrade was just about to start, so the current stories about alleged attacks being prepared against Serbia are only a form of psychological pressure on the voters. Our people should not believe Mr. Panic tomorrow when he says that he saved Belgrade from being bombarded, just as I am convinced they did not believe him when he said a month ago that he had saved it in July or August. I repeat, he categorically told those of us in the government and those associated with the government at that time that attacks on or bombardment of Belgrade were out of the question. Do not worry.

However, a few months later, when he needed it for his political showdowns, he appeared as a Messiah who had saved his people from bombardment.

Bank Denies Unauthorized Printing of Money

93BA0332B Belgrade POLITIKA in Serbo-Croatian 26 Nov 92 p 9

[Article by Ljubodrag Cudomirovic: "Atanackovic: We Deny That We Took Part in That"]

[Text] "I firmly deny that the National Bank of Serbia or anyone in our republic—and the experts know what I am talking about, attacked the monetary system of the Federal Republic of Yugoslavia [FRY] and by an alleged printing of money before or after the decision to devalue the dinar contributed in any way to the sudden drop in the value of the dinar, that is, to the jump of foreign currencies on the so-called black markets," said Borislav Atanackovic, governor of the National Bank of Serbia, almost in one breath as his comment on the critical statement of the federal prime minister published yesterday. To recall, Milan Panic said that the National Bank of Serbia had contributed through an unauthorized printing of money to the sudden drop in the black market exchange rate of the dinar following the most recent decision of the federal government to devalue it.

Governor Atanackovic was equally explicit in saying that initiative was taken in good time within the Board of Governors to provide adequate resources—taking into account, above all, the present economic situations and Yugoslavia's external blockade—resources sufficient to cover, as should and must be done, the real production which even before the blockade was selling on the Western market and will do so after it.

The Agreement Is Not Being Honored

"We have also been insisting that appropriate funds be furnished to purchase agricultural products, which is customary on a more or less seasonal basis. We have been insisting, and within the Board of Governors we unanimously passed decisions to support all real production, and the governor of the National Bank, who the federal prime minister thinks is a good man, just a bit hard-headed, continues to hold in his drawer orders for payment from that portion of primary issue which was unanimously agreed in the meetings of the Board of Governors. I am referring to an amount of 73 billion dinars from primary note issue which would be exceedingly helpful to production. Still more precisely, and this has not been denied even in meetings of the Board of Governors, there are fully documented legitimate claims to finance and help from primary note issue that segment of production which has been halted at the moment solely thanks to the blockade.

"Within the Serbian government we have acted in a very organized way to distribute the money which belongs to the Republic of Serbia under the decisions of the Board of Governors," Atanackovic said. "That is not enough, but those decisions were legally adopted in the Board of Governors, and the decision about that was unanimous. Following the most recent statements in Novi Sad, all we want is for the federal government to make written charges that are argued and documented that we 'printed' even 1 dinar without decisions of the Board of Governors. I say that in Serbia we have not printed and have not used a single dinar except on the basis of decisions of the Board of Governors.

"To be sure, Serbia long ago formed a staff, or call it a coordinating body, to monitor liquidity in the economy and the banks; it is prompt to see to it that solutions are found, legally and without any coercion, that is, by agreement, to solve certain liquidity problems, but with those solutions we have not met the immense demands, nor at the same time have we resorted to any unauthorized printing of money. To illustrate, about 500,000 people are actually working, I am not speaking about those formally employed, for the approximately 1.3 million pensioners. Both theoreticians and the federal government, and also we ourselves, are against paying those pensions from primary note issue—the total obligations for November alone amount to 108 billion dinars. However, neither Prime Minister Panic nor others in the federal administration want to say that we are making every possible effort to find that money in legal and possible sources.

"It would, of course, be easiest to take that from primary note issue, although I really do not know how we could do that without being noticed," said the governor of the National Bank of Serbia. "If anyone in the federal administration knows of such a way, I wish he would tell us that 'technique.'"

What the IMF Says

"Incidentally, the belief on the part of both the National Bank and the federal government that primary issue should be dealt with cautiously even in these terrible times of economic crisis, I would set against the completely different and also professional view of the people from the International Monetary Fund. Recently, I was told in a direct conversation that in the situation the new Yugoslavia is now in it is no sacrilege even in theory that primary issue should be left to the wind."

According to Borislav Atanackovic, this means in practice that the international monetary factor understands quite well the economic situation our country has been in, because both the world and that institution are aware of the orthodox view that the use of primary issue could have more serious economic implications than the additional printing of money.

"We will fight to the last drop of blood not to resort to an unauthorized printing of money. But at the same time we put the question of where the limits are for that kind of behavior and who is setting them? I responsibly assert that the most recent decision of the federal government on devaluation is the main culprit for the chaos that has been caused on the black market for currency and the reason why the dinar has suddenly plummeted this way in the last 10 days or so. The main problem nevertheless lies in the fact that there is no serious and true agreement nor understanding among all the monetary authorities in this country, and we view the orthodox stand of the National Bank of Yugoslavia on the amount of cash in the total money supply as an additional lack of understanding, and, of course, an immense problem at all the windows where payments are being made."

[Box, p 8]

They Have Everything, But They Are Not Sending the Money

"Is it true that the National Bank of Yugoslavia, that is, the mint in Topcider, has sufficient materials to manufacture money, and thereby also sufficient cash to meet all the demands for cash payment?" was one of the questions we asked Governor Borislav Atanackovic.

"There is enough cash, but they simply are not supplying it, that is, they are not putting it into circulation. Of course, both I and the public know of all the arguments for not doing it. Nevertheless, that plant in Topcider is much better equipped than anyone thinks and the problem is not there, but in the decisions about putting an adequate amount of cash into circulation and solving the problems of the moment.

"But, I repeat, there are no political differences at all between our views and those of Vuk Ognjanovic, M.A., governor of the National Bank of Yugoslavia, nor is there a political intention or reluctance in the professional divisions; anyone who sees political differences here will simply be wrong," the governor qualified himself.

[Box, p 9]

Serbia Is No Longer Waiting for the Federation

Speaking about the measures which the Republic of Serbia and its government intend to take in order to prevent the present almost chaotic state in the conduct of business with cash, a sector in which the National Bank of Serbia has almost unsurmountable problems, Governor Borislav Atanackovic said yesterday:

"As far as I have been informed up to today (that is, yesterday), the government of the Republic of Serbia will issue a specific republic decree on the manner of handling cash. Serbia has waited too long for the appropriate federal statutes on the regulation of the so-called vault maximum, among other things. We waited for a long time for the solutions which under the statutes should have been adopted by the federal government last year. If everything is as I have been informed, the banks, the economy, and all users of cash will tomorrow (today) be informed about the new statutes which should prevent excessive use of cash in the total money supply," Atanackovic said.

Macedonia

Andonov Resigns as Deputy Prime Minister

LD1512215192 Belgrade TANJUG Domestic Service in Serbo-Croatian 1842 GMT 15 Dec 92

[Text] Skopje, 15 Dec (TANJUG)—It was confirmed in Skopje today that Jovan Andonov, vice president of the Macedonian government, resigned from his post yesterday. The main reason for the resignation of this member of the government, who is popular among the citizens of Macedonia, is the completely opposing views of the vice premier and the majority of other members of the government on how to overcome the burning economic problems in the Republic.

Andonov said that he tendered his resignation because he had not succeeded in realizing what he thought he should do. "Crvenkovski's government needs someone who thinks differently."

Andonov, in his resignation letter, is reported to have listed as many as 13 reasons. At government sessions Andonov frequently had opposing ideas on the republican budget and the solution of the oil crisis, and in particular he called for the easing of the large number of taxes and duties imposed on the economy, which were introduced by the government of Branko Crvenkovski. Andonov also did not agree with the way in which Crvenkovski and his cabinet were tackling the problem of inflation, nor with the policy of investment in noneconomic activities.

Two Parties Urge President Gligorov To Resign

LD1512232292 Belgrade TANJUG Domestic Service in Serbo-Croatian 1945 GMT 15 Dec 92

[Text] Skopje, 15 Dec (TANJUG)—The VMRO-Democratic Party for Macedonian National Unity [VMRO-DPMNE], the political party with the most seats in the Macedonian Assembly, issued a statement today describing the EC Council's draft declaration of 12 December as "yet further evidence of the failure of the vague and sterile foreign policy as pursued by Macedonia's state leadership, which is solely responsible for Macedonia's current international isolation and blockade." In its statement VMRO-DPMNE accuses the president of Macedonia, Kiro Gligorov, of pursuing an anti-Macedonian policy and of "manipulating the public" with, inter alia, "an unprecedented cynical proposal and agrement to change the Republic's name."

The VMRO-DPMNE calls on President Gligorov "immediately to provide justification for the dramatically difficult internal situation in Macedonia today and its international standing."

The VMRO-Democratic Party [VMRO-DP] of Vladimir Golubovski also calls on Kiro Gligorov to account for the difficult situation in which Macedonia finds itself. According to a statement issued by the party, by "imposing personal control over the institutions of power in Macedonia and his activity, which is on a collision course with the Macedonian Constitution, President Gligorov is responsible for the legal chaos in the Republic and for the feeling of hopelessness in the Macedonian nation, as well as for Macedonia's weakened international position caused by his agreement to change the name of the Republic by adding the word Skopje."

In conclusion the VMRO-DP insists on President Gligorov's resignation, describing it as "the only way of preventing any further deterioration in the internal situation and of improving the international standing of the Republic of Macedonia."

Gligorov on Talks With Mitterrand, UN Membership

LD1512210292 Belgrade TANJUG Domestic Service in Serbo-Croatian 1623 GMT 15 Dec 92

[Text] Paris, 15 Dec (TANJUG)—Macedonian President Kiro Gligorov stated in Paris today that it is for the international community to decide on the issue of Macedonia's recognition within the UN framework.

In a press statement following a nearly one-hour-long talk with French President Francois Mitterrand in the Elysee Palace today, the Macedonian President stated that "it is uncontestable that Macedonia exists as a state. It has its own territory, its own democratically elected government, and its own constitution; it is for the international community to decide about everything else," Gligorov said.

As to whether he had won French support for Macedonia's admission into the United Nations, the Macedonian president said that "only French President Mitterrand can answer that question. Obviously we have agreed that this is an issue that should be raised before the international institutions."

With regard to the dispute with Greece, which has been opposing the recognition of Macedonia under that name, Gligorov said that Macedonia "long ago proposed a series of compromises, but, unfortunately, they have yielded no results." The Macedonian president added that Macedonians wish to live "in peace and have friendly relations with Greece."

Circles close to the Macedonian president said that the Macedonian issue could be placed on the UN agenda this week.